SOUTHERN MISSOURI BANCORP, INC.
Form S-4/A
September 07, 2018

As filed with the Securities and Exchange Commission on September 7, 2018.

Registration No. 333-226378

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO. 1
TO THE

FORM S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

SOUTHERN MISSOURI BANCORP, INC.
(Exact name of registrant as specified in its charter)

Missouri (State or other jurisdiction of incorporation or organization)	6022 (Primary Standard Industrial Classification Code Number)	43-1665523 (I.R.S. Employer Identification No.)

Southern Missouri Bancorp, Inc. 2991 Oak Grove Road Poplar Bluff, Missouri 63901 (573) 778-1800	Matthew T. Funke Executive Vice President and Chief Financial Officer Southern Missouri Bancorp, Inc. 2991 Oak Grove Road Poplar Bluff, Missouri 63901 (847) 653-1992
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)	(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPIES TO:

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable following the effectiveness of this Registration Statement and upon completion of the merger described in this Registration Statement.

If the securities being registered on this Form are being offered in connection with formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company
		Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered[(1)]	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, par value $.01 per share	400,000 shares[(2)]	N/A	$12,807,000 [(3)]	$1,594.47*

(1) Pursuant to Rule 416, this registration statement also covers an indeterminate number of additional shares of common stock of Southern Missouri Bancorp, Inc. ("Southern Missouri") as may be issuable as a result of stock splits, stock dividends or similar transactions.

(2) Represents the estimated maximum number of shares of common stock of Southern Missouri issuable upon completion of the merger described in this registration statement, in exchange for shares of the common stock of Gideon Bancshares Company ("GBC").

(3) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act of 1933, as amended (the "Securities Act"), and calculated pursuant to Rule 457(f)(2) and 457(f)(3) under the Securities Act, the proposed maximum aggregate offering price of the shares of Southern Missouri common stock registered hereby is equal to (A) $24,424,000, which is the book value of the estimated maximum number of shares of GBC common stock to be exchanged in the merger as of June 30, 2018, the latest practicable date prior to the filing of this registration statement, minus (B) $11,617,000, which is the estimated maximum amount of cash consideration payable by Southern Missouri in the merger.

*Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

GIDEON BANCSHARES
COMPANY

MERGER PROPOSED - YOUR VOTE IS VERY IMPORTANT

Dear Gideon Bancshares Company Shareholder:

The boards of directors of Southern Missouri Bancorp, Inc., which we refer to as "Southern Missouri," and Gideon Bancshares Company, which we refer to as "GBC," have each approved a merger of our two companies. Under the merger agreement, GBC will merge with and into a subsidiary of Southern Missouri, which subsidiary will then merger with and into Southern Missouri with Southern Missouri being the surviving corporation, on the terms and conditions set forth in the merger agreement. Following completion of the merger, GBC's 92% owned bank subsidiary, First Commercial Bank, which we refer to as "FCB," will merge with and into Southern Missouri's wholly owned bank subsidiary, Southern Bank, with Southern Bank being the surviving bank.

If the merger is completed, holders of GBC common stock will be entitled to receive aggregate merger consideration equal to (1) 0.975 times GBC's consolidated equity capital as of the last business day of the month immediately preceding the month in which the merger closing occurs, adjusted for certain of GBC's transaction expenses, minus (2) the excess, if any, of the cost of contract termination charges of GBC triggered as a result of the merger over $150,000. As of March 31, 2018, GBC's consolidated equity capital, as adjusted for estimated transaction and contract termination costs, was $22.3 million. Based on this amount, if the merger had been completed in April 2018, the aggregate merger consideration would have been $21.7 million ($22.3 million x 0.975).

Fifty percent (50%) of the merger consideration will be paid in cash and fifty percent (50%) will be paid in shares of Southern Missouri common stock. The cash consideration paid for each share of GBC common stock, which we refer to as the "per share cash consideration," will be equal to 50% of the aggregate merger consideration divided by the number of shares of GBC common stock issued and outstanding immediately prior to the merger assuming all minority shareholders of FCB participate in the share exchange described below. The stock consideration paid for each share of GBC common stock, which we refer to as the "per share stock consideration," will be a number of shares of Southern Missouri common stock equal to the per share cash consideration divided by $35.53, the average closing price of Southern Missouri common stock for the 20-trading day period ending on and including the fifth trading day preceding June 12, 2018 (the date of the merger agreement), which we refer to as the "average Southern Missouri common stock price."

Assuming aggregate merger consideration of $21.7 million and that all minority shareholders of FCB participate in the share exchange described below, the per share cash consideration would be $69.78 and the per share stock consideration would be 1.9639 shares of Southern Missouri common stock for each share of GBC common stock outstanding. The per share stock consideration to be issued at the 1.9639 exchange ratio would represent approximately $69.78 in value for each share of GBC common stock, which, when added to the $69.78 per share cash merger consideration, equates to approximately $139.56 in value for each share of GBC common stock. GBC shareholders who would otherwise be entitled to a fractional share of Southern Missouri common stock will instead receive an amount in cash equal to the fractional share interest multiplied by $35.53.

As stated above, the aggregate merger consideration the holders of GBC common stock will receive in the merger is based on GBC's consolidated equity capital (as adjusted pursuant to the merger agreement) as of the last business day of the month immediately preceding the month in which the merger closing occurs. Accordingly, the aggregate merger consideration to be paid to the holders of GBC common stock at closing will depend on a number of factors, including GBC's consolidated equity capital as of the last business day of the month immediately preceding the month in which the merger closing occurs, the total amount of GBC's transaction expenses and the final cost of contract termination charges of GBC triggered as a result of the merger. In addition, since the stock portion of the merger consideration is calculated based on $35.53 (the average Southern Missouri common stock price), the market value of

the stock portion of the merger consideration to be paid to the holders of GBC common stock will vary from the closing price of Southern Missouri common stock on the date Southern Missouri and GBC announced the merger, on the date that this proxy statement/prospectus is mailed to GBC shareholders, on the date of the GBC special meeting and on the date the merger is completed and thereafter. However, there will not be any

adjustment to the merger consideration for changes in the market price of shares of Southern Missouri common stock. Therefore, you will not know at the time of the special meeting the precise aggregate merger consideration or the market value of the stock portion of the merger consideration you will receive upon completion of the merger. We urge you to obtain current market quotations for Southern Missouri common stock (NASDAQ: trading symbol "SMBC").

As described in the accompanying proxy statement/prospectus, the completion of the merger is subject to customary conditions, including approval of the merger agreement by GBC's shareholders and the receipt of regulatory approvals. In addition, it is a condition to Southern Missouri's obligation to complete the merger that a share exchange transaction by GBC be consummated with the shareholders of FCB holding at least 80% of the outstanding shares of FCB's common stock not owned by GBC, whereby such minority shareholders will become holders of GBC common stock immediately prior to the merger. Assuming consummation of the share exchange transaction and completion of the merger, the minority shareholders of FCB will be entitled to receive the merger consideration payable under the merger agreement.

GBC will hold a special meeting of its shareholders to vote on the merger agreement. Approval of the merger agreement by GBC shareholders requires the affirmative vote of the holders of two-thirds of the outstanding shares of GBC common stock. A failure to vote will have the same effect as voting against the merger agreement. In addition to voting on the merger agreement, at the special meeting, GBC shareholders will vote on a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the merger agreement, which we sometimes refer to as the "adjournment proposal." GBC's majority shareholder, which owns approximately 72.9%, of GBC's outstanding shares as of the date of this proxy statement/prospectus, has executed a voting agreement with Southern Missouri pursuant to which it has agreed to vote its shares of GBC common stock in favor of the Merger Agreement thus ensuring shareholder approval of the Merger Agreement.

The GBC board of directors has carefully considered the merger and the terms of the merger agreement and believes that the completion of the merger on the terms set forth in the merger agreement is in the best interest of GBC and its shareholders. Accordingly, the GBC board of directors recommends that holders of GBC common stock vote "FOR" approval of the merger agreement proposal and "FOR" the adjournment proposal. In considering the recommendations of the board of directors of GBC, you should be aware that the directors and executive officers of GBC have interests in the merger that are different from, or in addition to, the interests of GBC shareholders generally. See the section entitled "The Merger—Interests of GBC's Directors and Executive Officers in the Merger" beginning on page 33 of this proxy statement/prospectus.

This proxy statement/prospectus describes the special meeting, the documents related to the merger and other matters. Please carefully read this entire proxy statement/prospectus, including "Risk Factors," beginning on page 15 of this proxy statement/prospectus, for a discussion of the risks relating to the proposed merger. You also can obtain information about Southern Missouri from documents that it has filed with the Securities and Exchange Commission.

/s/ Rickey A. Stubbs

Rickey A. Stubbs, Chairman and President
Gideon Bancshares Company

Neither the Securities and Exchange Commission nor any state securities commission or any bank regulatory agency has approved or disapproved the shares of Southern Missouri stock to be issued in the merger or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense. The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of Southern Missouri or GBC, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this proxy statement/prospectus is September [•], 2018, and it is first being mailed or otherwise delivered to the shareholders of GBC on or about September 19, 2018.

GIDEON BANCSHARES COMPANY
304 North Walnut
Dexter, MO 63841
(573) 624-8828

NOTICE OF SPECIAL MEETING OF
GIDEON BANCSHARES COMPANY SHAREHOLDERS

Date: October 24, 2018
Time: 1:00 p.m., local time
Place: Board Room of First Commercial Bank
303 West Market Street, Dexter, Missouri

To Gideon Bancshares Company Shareholders:

We are pleased to notify you of and invite you to a special meeting of shareholders of Gideon Bancshares Company, which we refer to as "GBC." At the special meeting, holders of GBC common stock will be asked to vote on the following matters:

- A proposal to approve the Agreement and Plan of Merger, dated as of June 12, 2018, by and between Southern Missouri Bancorp, Inc., which we refer to as "Southern Missouri," Southern Missouri Acquisition Corp. III, which we refer to as "Merger Sub," and GBC, pursuant to which GBC will merge with and into Merger Sub, followed by a merger of Merger Sub with and into Southern Missouri; and
- A proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement.

Only holders of record of GBC common stock as of the close of business on September 14, 2018 are entitled to vote at the special meeting and any adjournments or postponements of the special meeting. Approval of the merger agreement proposal requires the affirmative vote of the holders of two-thirds of the outstanding shares of GBC common stock. The adjournment proposal will be approved if the votes cast in favor of the proposal exceed the votes cast against the proposal. Each share of GBC common stock entitles its holder to one vote.

GBC's board of directors has unanimously approved the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of GBC and its shareholders, and unanimously recommends that holders of GBC common stock vote "FOR" approval of the merger agreement proposal and "FOR" the adjournment proposal.

Your vote is very important. We cannot complete the merger unless GBC's shareholders approve the merger agreement.

To ensure your representation at the special meeting, please complete and return the enclosed proxy card. Whether or not you expect to attend the special meeting in person, please vote promptly.

GBC has concluded that, in connection with the merger, holders of GBC common stock have the right to exercise dissenters' rights under Section 351.455 of the General and Business Corporation Law of Missouri and obtain payment of the "fair value" of their shares of GBC common stock in lieu of the merger consideration that holders of GBC common stock would otherwise receive pursuant to the merger agreement. This right to dissent is summarized in the accompanying proxy statement/prospectus on page 35, and a copy of Section 351.455 is reprinted in full as Appendix B to the accompanying proxy statement/prospectus.

The enclosed proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger and other matters. We urge you to read the proxy statement/prospectus, including the documents incorporated in the proxy statement/prospectus by reference, and its appendices carefully and in their entirety.

We look forward to hearing from you.

By Order of the Board of Directors

/s/ Rickey A. Stubbs

Rickey A. Stubbs, Chairman and President
Gideon Bancshares Company

September 19, 2018
Dexter, MO

YOUR VOTE IS VERY IMPORTANT!

WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE VOTE PROMPTLY BY RETURNING THE ENCLOSED PROXY CARD.

REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Southern Missouri from documents filed with the Securities and Exchange Commission, or the SEC, that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Southern Missouri at no cost from the SEC's website at http://www.sec.gov. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus, at no cost by contacting Southern Missouri Bancorp, Inc., Attn: Investor Relations, 2991 Oak Grove Road, Poplar Bluff, Missouri 63901, or by telephone at (573) 778-1800.

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of GBC's special meeting of shareholders. This means that GBC shareholders requesting documents must do so by October 17, 2018, in order to receive them before the special meeting.

In addition, if you have questions about the merger or the special meeting, need additional copies of this proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact GBC, at the following address:

GIDEON BANCSHARES COMPANY
Attn: Mary Lawrence, SVP/COO
304 North Walnut
Dexter, MO 63841

GBC does not have a class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, is not subject to the reporting requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and accordingly does not file documents or reports with the SEC.

You should rely only on the information contained in, or incorporated by reference into, this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated September [•], 2018, and you should assume that the information in this proxy statement/prospectus is accurate only as of such date. You should assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of the date of the document that includes such information. Neither the mailing of this proxy statement/prospectus to GBC shareholders nor the issuance by Southern Missouri of shares of Southern Missouri common stock in connection with the merger will create any implication to the contrary.

Southern Missouri supplied all information contained or incorporated by reference in this proxy statement/prospectus relating to Southern Missouri and GBC supplied all information contained in this proxy statement/prospectus relating to GBC. Information on the websites of Southern Missouri and GBC, or any subsidiary of Southern Missouri or GBC, is not part of this proxy statement/prospectus or incorporated by reference herein. You should not rely on that information in deciding how to vote.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

See "Where You Can Find More Information" on page 67 and "Information About Southern Missouri Bancorp" on page 56 for more details relating to Southern Missouri, and "Information About Gideon Bancshares Company" on page 56 for more details relating to GBC.

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APPENDICES

A Agreement and Plan of Merger, dated as of June 12, 2018, by and between Southern Missouri Bancorp, Inc., Southern Missouri Acquisition Corp. III and Gideon Bancshares Company

B Section 351.455 of the General and Business Corporation Law of Missouri, as amended

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The following are questions that you may have about the merger and the special meeting of GBC shareholders, and brief answers to those questions. We urge you to read carefully the entire proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger and the special meeting. Additional important information is contained in the documents incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information."

Unless the context otherwise requires, throughout this proxy statement/prospectus, "Southern Missouri" refers to Southern Missouri Bancorp, Inc., "GBC" refers to Gideon Bancshares Company and "we," "us" and "our" refers collectively to Southern Missouri and GBC.

Q: What is the merger?

A: Southern Missouri and GBC have entered into an Agreement and Plan of Merger, dated as of June 12, 2018 (which we refer to as the "merger agreement"), pursuant to which GBC will merge with and into Southern Missouri Acquisition Corp. III (which we refer to as "Merger Sub"), with Merger Sub continuing as the surviving corporation and each outstanding share of GBC converted into the right to receive the merger consideration (we refer to this transaction as the "merger"). Immediately following the merger, Merger Sub will merge with and into Southern Missouri, with Southern Missouri continuing as the surviving corporation (we refer to this transaction as the "holding company merger") and, following the holding company merger, GBC's 92% owned subsidiary bank, First Commercial Bank (which we refer to as "FCB"), will merge with and into Southern Missouri's wholly owned subsidiary bank, Southern Bank, with Southern Bank continuing as the surviving bank (we refer to this transaction as the "bank merger"). The merger, holding company merger and bank merger are sometimes collectively referred to herein as the "mergers." A copy of the merger agreement is attached to this proxy statement/prospectus as Appendix A.

Q: Why am I receiving this proxy statement/prospectus?

A: We are delivering this document to you because you are a shareholder of GBC and this document is a proxy statement being used by GBC's board of directors to solicit proxies of its shareholders in connection with approval of the merger agreement (which we sometimes refer to as the "merger agreement proposal"). This document is also a prospectus that is being delivered to GBC shareholders because Southern Missouri is offering shares of its common stock to GBC shareholders in connection with the merger.

Q: The merger cannot be completed unless the holders of GBC common stock approve the merger agreement proposal by the affirmative vote of the holders of two-thirds of the outstanding shares of GBC common stock.

A: GBC's majority shareholder, which owns approximately 72.9% of GBC's outstanding shares as of the date of this proxy statement/prospectus, has executed a voting agreement with Southern Missouri pursuant to which it has agreed to vote its shares of GBC common stock in favor of the merger agreement. As a result of the voting agreement, we expect to receive a number of votes sufficient to satisfy the two-thirds approval requirement described above. For more information regarding the voting agreement, see "The Merger Agreement—Voting Agreement" beginning on page 50.

Q: In addition to the merger agreement proposal, what else are GBC shareholders being asked to vote on?

A: GBC is soliciting proxies from holders of its common stock with respect to one additional proposal. This additional proposal is to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the merger agreement proposal (which we sometimes refer to as the "adjournment proposal"). Completion of the

merger is not conditioned upon approval of the adjournment proposal.

Q: What will GBC shareholders receive in the merger?

A: If the merger is completed, holders of GBC common stock will be entitled to receive aggregate merger consideration equal to (1) 0.975 times GBC's consolidated equity capital as of the last business day of the month immediately preceding the month in which the merger closing occurs, adjusted for certain of GBC's transaction expenses, minus (2) the excess, if any, of the cost of contract termination charges of GBC triggered as a result of the merger over $150,000. As of March 31, 2018, GBC's consolidated equity capital, as adjusted for its estimated transaction expenses and contract termination costs, was $22.3 million. Based on this amount, if the merger had been completed in April 2018, the aggregate merger consideration would have been $21.7 million ($22.3 million x 0.975).

Fifty percent (50%) of the aggregate merger consideration will be paid in cash and fifty percent (50%) will be paid in shares of Southern Missouri common stock. The cash consideration paid for each share of GBC common stock, which we refer to as the "per share cash consideration," will be equal to 50% of the aggregate merger consideration divided by the number of shares of GBC common stock issued and outstanding immediately prior to the merger assuming all minority shareholders of FCB participate in the share exchange described below. The stock consideration paid for each share of GBC common stock, which we refer to as the "per share stock consideration," will be a number of shares of Southern Missouri common stock equal to the per share cash consideration divided by $35.53, the average closing price of Southern Missouri common stock for the 20-trading day period ending on and including the fifth trading day preceding June 12, 2018 (the date of the merger agreement), which we refer to as the "average Southern Missouri common stock price." GBC shareholders who would otherwise be entitled to a fractional share of Southern Missouri common stock will instead receive an amount in cash equal to the fractional share interest multiplied by $35.53.

For further information, see "The Merger Agreement—Merger Consideration."

Q: How will the merger affect the minority shareholders of FCB?

A: It is a condition to Southern Missouri's obligation to complete the merger that a share exchange transaction by GBC, which we refer to as the "exchange offer," be consummated with the minority shareholders of FCB holding at least 80% of the outstanding shares of FCB's common stock not owned by GBC, whereby such minority shareholders will become holders of GBC common stock immediately prior to the merger. Assuming consummation of the exchange offer and completion of the merger, the minority shareholders of FCB will be entitled to receive the merger consideration payable under the merger agreement.

Under the terms of the voting agreement entered into with GBC's majority shareholder, in addition to agreeing to vote its shares of GBC common stock in favor of the merger agreement, GBC's majority shareholder has also agreed to vote (exchange), or cause to be voted (exchanged), in the exchange offer all of the shares of FCB common stock it beneficially owns. As of the date of this proxy statement/ prospectus, GBC's majority shareholder owned approximately 5.7% of FCB's outstanding common stock, representing approximately 73.3% of FCB's outstanding common stock held by the minority shareholders of FCB.

After the completion of the merger, if there are any minority shareholders of FCB who did not participate in the exchange offer, Southern Missouri will adopt a new or amended plan of merger for the bank merger providing for the shares of FCB common stock owned by such non-participating minority shareholders to be converted into the right to receive consideration payable by Southern Missouri that is identical in form and amount to the merger

consideration that such non-participating minority shareholders would have been entitled to receive under the merger agreement had they participated in the exchange offer, subject to their rights under the Missouri law to demand payment of the value of their shares of FCB common stock.

Q: Are the minority shareholders of FCB entitled to vote on the merger agreement?

A: No, because they will not be shareholders of GBC as of the voting record date for the special meeting and will not become shareholders of GBC unless and until the exchange offer is consummated, which is expected to occur immediately prior to the merger. In connection with being asked to participate in the

exchange offer, GBC will provide the minority shareholders of FCB with a copy of this proxy statement/prospectus and additional information that describes the exchange offer, the merger and other pertinent information.

Q: How does GBC's board of directors recommend that I vote at the special meeting?

A: After careful consideration, GBC's board of directors unanimously recommends that holders of GBC common stock vote "FOR" the merger agreement proposal and "FOR" the adjournment proposal.

For a more complete description of GBC's reasons for the merger and the recommendations of the GBC board of directors, see "The Merger—GBC's Reasons for the Merger; Recommendation of GBC's Board of Directors" beginning on page 30.

Q: When and where is the special meeting?

A: The special meeting will be held in the Board Room of FCB located at 303 West Market Street, Dexter, Missouri 63841, on October 24, 2018, at 1:00 p.m., local time.

Q: What do I need to do now?

A: After you have carefully read this proxy statement/prospectus and have decided how you wish your shares to be voted, please complete, sign, and date your proxy card and mail it in the enclosed postage-paid return envelope as soon as possible.

Q: Who is entitled to vote?

A: Holders of record of GBC common stock at the close of business on September 14, 2018, which is the date that the GBC board of directors has fixed as the record date for the special meeting, are entitled to vote at the special meeting.

Q: What constitutes a quorum?

A: The presence at the special meeting, in person or by proxy, of the holders of a majority of the total outstanding shares of GBC common stock will constitute a quorum for the transaction of business on the merger agreement proposal and the adjournment proposal. Abstentions and broker non-votes will be treated as shares that are present at the meeting for the purpose of determining the presence of a quorum.

Q: What is the vote required to approve each proposal at the special meeting?

A: Merger agreement proposal: To approve the merger agreement proposal, two-thirds of the shares of GBC common stock entitled to vote thereon must be voted in favor of such proposal. If you mark "ABSTAIN" on your proxy or fail to submit a proxy and fail to vote in person at the special meeting, it will have the same effect as a vote "AGAINST" the merger agreement proposal.

Adjournment proposal: The adjournment proposal will be approved if the votes cast in favor of such proposal at the special meeting exceed the votes cast in opposition to such proposal. If you mark "ABSTAIN" on your proxy or fail to submit a proxy and fail to vote in person at the special meeting, it will have no effect on the adjournment

proposal.

GBC's directors and executive officers and their affiliates were entitled to vote approximately 32,295 shares of GBC's common stock, or approximately 22.8% of the total outstanding shares of GBC common stock as of the date of this proxy statement/prospectus. As discussed above, GBC's majority shareholder owns 103,374 shares, or approximately 72.9%, of GBC's outstanding common stock as of the date of this proxy statement/prospectus and has executed a voting agreement with Southern Missouri pursuant to which it has agreed to vote its shares of GBC common stock in favor of the merger agreement.

Q: Why is my vote important?

We cannot complete the merger unless GBC shareholders approve the merger agreement. Approval of the merger agreement requires the approval of two-thirds of the outstanding shares of GBC common stock. In addition, Southern Missouri is not required to complete the merger unless holders of less than 5% of the total shares of GBC common stock (including GBC common stock that would be issued assuming all minority shareholders of FCB participate in exchange offer) are, or have the ability to become, dissenting shares, pursuant to the General and Business Corporation Law of Missouri, meaning that holders of shares representing at least 95% of the shares of GBC common stock outstanding immediately prior to the effective time of the merger have approved the merger agreement or otherwise allowed their dissenters' rights to lapse under Missouri law. Assuming all minority shareholders of FCB participate in exchange offer, GBC will issue an additional 13,830 shares of GBC common stock which would result in a total of 155,595 shares of GBC common stock outstanding immediately prior to the effective time of the merger.

A: GBC's majority shareholder owns 103,374 shares (approximately 72.9%) of GBC's outstanding common stock and 157.5 shares (approximately 5.7%) of FCB's outstanding common stock as of the date of this proxy statement/prospectus. Under the terms of the voting agreement entered into by GBC's majority shareholder, it has agreed (i) to vote all of its shares of GBC common stock for the merger agreement proposal and (ii) to exchange all of its shares of FCB common stock (which represents approximately 73.3% of the total shares of FCB common stock outstanding held by the minority shareholders of FCB) in the exchange offer for GBC common stock. As a result of the voting agreement, we expect to receive sufficient votes to satisfy the two-thirds vote requirement to approve the merger agreement proposal. However, unless waived by Southern Missouri, the 95% condition described above can only be satisfied if, in addition to shares that are bound by the voting agreement, holders of 34,311 shares of GBC common stock, representing approximately 24.2% of all outstanding shares of GBC common stock, either vote to approve the merger agreement or otherwise allow their dissenters' rights to lapse.

Q: Can I attend the special meeting and vote my shares in person?

A: Yes. All shareholders of GBC are invited to attend the special meeting. Holders of record of GBC common stock can vote in person at the special meeting. If you wish to vote in person at the special meeting and you are a shareholder of record, you should bring the enclosed proxy card and proof of identity. At the appropriate time during the special meeting, the shareholders present will be asked whether anyone wishes to vote in person. You should raise your hand at this time to receive a ballot to record your vote. Even if you plan to attend the special meeting, we encourage you to vote by proxy to save us the expense of further proxy solicitation efforts.

Q: Can I change my proxy or voting instructions?

A: Yes. If you are a holder of record of GBC common stock you may revoke your proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation to GBC's Corporate Secretary or (3) attending the GBC special meeting in person and voting by ballot at the special meeting. Attendance at the special meeting by itself will not automatically revoke your proxy. A revocation or later-dated proxy received by GBC after the vote is taken at the special meeting will not affect your previously submitted proxy. The mailing address for GBC's Corporate Secretary is: Gideon Bancshares Company, Attention: Corporate Secretary, 304 North Walnut, Dexter, MO 63841.

Q:

Will GBC be required to submit the proposal to approve the merger agreement to its shareholders even if GBC's board of directors has withdrawn or modified its recommendation?

A: Yes. Unless the merger agreement is terminated before the special meeting, GBC is required to submit the proposal to approve the merger agreement to its shareholders even if GBC's board of directors has withdrawn or modified its recommendation.

Q: What are the U.S. federal income tax consequences of the merger to GBC shareholders?

A: The mergers, taken as a whole, are intended to qualify as one or more tax-deferred "reorganizations" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to as the "Code"). Assuming the mergers qualify as a reorganization, a U.S. holder of GBC common stock will recognize gain (but not loss) in an amount equal to the lesser of (i) the amount by which the sum of the fair market value of the Southern Missouri common stock (determined as of the effective time of the merger) and cash received by such U.S. holder of GBC common stock in the merger exceeds such U.S. holder's adjusted tax basis in the holder's GBC common stock surrendered and (ii) the amount of cash received by such U.S. holder of GBC common stock (in each case excluding any cash received in lieu of fractional shares of Southern Missouri common stock, with the gain or loss on such fractional share determined separately, as discussed below under "Material U.S. Federal Income Tax Consequences of the Merger—Receipt of Cash in Lieu of a Fractional Share of Southern Missouri Stock"). Gain or loss is determined separately with respect to each block of GBC common stock, and a loss realized on one block of shares may not be used to offset a gain realized on another block of shares in the merger.

It is a condition to the completion of the merger that Southern Missouri and GBC each receive from their respective tax advisor a written opinion to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

All holders of GBC common stock should consult their own independent tax advisors regarding the particular tax consequences of the merger to them, including the applicability and effect of U.S. federal, state, local, foreign, and other tax laws.

Q: Are holders of GBC common stock entitled to dissenters' rights?

A: Yes. The General and Business Corporation Law of Missouri (which we refer to as the "MGBCL") permits a holder of GBC common stock to dissent from the merger and obtain payment in cash of the "fair value" of his or her shares of GBC common stock. To do this, a shareholder must follow all of the procedures of Section 351.455 of the MGBCL in order to preserve his or her statutory rights. In general, a shareholder must: (i) before the vote on approval of the merger agreement proposal at the special meeting, file a written objection to the merger with GBC; (ii) not vote FOR the merger agreement proposal; (iii) within 20 days following the effective date of the merger, file a written demand for payment with Southern Missouri; and (iv) state in the written demand the number of shares of GBC common stock owned by such shareholder. If a holder of GBC common stock follows the required procedures, his or her only right will be to receive the "fair value" of his or her shares of GBC common stock in cash. Any failure to observe any of these procedures could result in the total loss of dissenters' rights under Section 351.455. A shareholder who losses his or her dissenters' rights would be bound by the merger agreement and would have to accept the merger consideration as provided by the merger agreement. Copies of the applicable provisions of the MGBCL are attached to this proxy statement/ prospectus as Appendix B. See "The Merger—Dissenters' Rights of GBC Shareholders."

Q: If I am a holder of GBC common stock in certificated form, should I send in my GBC common stock certificates now?

A: No. Please do not send in your GBC common stock certificates with your proxy. After completion of the merger, the exchange agent will send you instructions for exchanging certificates for GBC common stock for the merger consideration. See "The Merger Agreement—Conversion of Shares; Exchange Procedures."

Q: What should I do if I hold my shares of GBC common stock in book-entry form?

A: You are not required to take any special additional actions if your shares of GBC common stock are held in book-entry form. After the completion of the merger, the exchange agent will send you instructions for exchanging your shares for the merger consideration. See "The Merger Agreement—Conversion of Shares; Exchange Procedures."

Q: Whom may I contact if I cannot locate my GBC common stock certificate(s)?

A: If you are unable to locate your original GBC common stock certificate(s), you should contact Mary Lawrence, GBC's Senior Vice President and Chief Operating Officer, at (573) 624-8828.

Q: What should I do if I receive more than one set of voting materials?

A: GBC shareholders may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you are a holder of record of GBC common stock and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this proxy statement/prospectus to ensure that you vote every share of GBC common stock that you own.

Q: When do you expect to complete the merger?

A: Southern Missouri and GBC expect to complete the merger late in the fourth quarter of 2018, once all of the conditions to the merger are fulfilled. However, neither Southern Missouri nor GBC can assure you of when or if the merger will be completed. We must first obtain the approval by GBC shareholders of the merger agreement, obtain necessary regulatory approvals and satisfy certain other closing conditions, including consummation by GBC of the exchange offer with the minority shareholders of FCB holding at least 80% of the outstanding shares of FCB's common stock not owned by GBC.

Q: What happens if the merger is not completed?

A: If the merger is not completed, holders of GBC common stock will not receive any consideration for their shares in connection with the merger. Instead, GBC will remain an independent company and the minority shareholders of FCB will retain their ownership interests in FCB. In addition, if the merger agreement is terminated in certain circumstances, a termination fee may be required to be paid by GBC to Southern Missouri. See "The Merger Agreement—Termination Fee" beginning on page 49 for a complete discussion of the circumstances under which a termination fee will be payable.

Q: Whom should I call with questions?

A: If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of GBC common stock, please contact Mary Lawrence, GBC's Senior Vice President and Chief Operating Officer, at (573) 624-8828.

SUMMARY

This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. You should carefully read this entire document, including the appendices, and the other documents to which this document refers to fully understand the merger and the related transactions. A list of the documents incorporated by reference appears on page 67 under "Where You Can Find More Information."

The Merger and the Merger Agreement (pages 28 and 38)

The terms and conditions of the merger are contained in the merger agreement, which is attached to this proxy statement/prospectus as Appendix A. We encourage you to read the merger agreement carefully, as it is the legal document that governs the merger.

In the merger, GBC will merge with and into Merger Sub, a wholly owned subsidiary of Southern Missouri, with Merger Sub as the surviving entity after the merger. As a result of this merger, each outstanding share of GBC common stock (other than dissenting and treasury shares) will be converted into the right to receive the merger consideration described below.

Immediately following the merger, Merger Sub will merge with and into Southern Missouri with Southern Missouri as the surviving entity in the holding company merger. Following the holding company merger, GBC's 92% owned bank subsidiary, FCB, will merge with and into Southern Missouri's wholly owned bank subsidiary, Southern Bank, with Southern Bank as the surviving entity in the bank merger. As a result of the mergers, GBC and FCB will cease to exist as separate entities.

In the Merger, Holders of GBC Common Stock Will Receive Shares of Southern Missouri Common Stock and Cash (page 38)

If the merger is completed, holders of GBC common stock will be entitled to receive aggregate merger consideration equal to (1) 0.975 times GBC's consolidated equity capital as of the last business day of the month immediately preceding the month in which the merger closing occurs, adjusted for certain of GBC's transaction expenses, minus (2) the excess, if any, of the cost of contract termination charges of GBC triggered as a result of the merger over $150,000. As of March 31, 2018, GBC's consolidated equity capital, as adjusted for its estimated transaction expenses and contract termination charges, was $22.3 million. Based on this amount, if the merger had been completed in April 2018, the aggregate merger consideration would have been $21.7 million ($22.3 million x 0.975).

Fifty percent (50%) of the aggregate merger consideration will be paid in cash and fifty percent (50%) will be paid in shares of Southern Missouri common stock. The per share cash consideration will be equal to 50% of the aggregate merger consideration divided by the number of shares of GBC common stock issued and outstanding immediately prior to the merger assuming all minority shareholders of FCB agree to exchange their shares of FCB common stock for shares of GBC common stock immediately prior to the merger. The per share stock consideration will be a number of shares of Southern Missouri common stock equal to the per share cash consideration divided by $35.53, the average Southern Missouri common stock price. Assuming the aggregate merger consideration is $21.7 million and that all minority shareholders of FCB agree to exchange their shares of FCB common stock for shares of GBC common stock immediately prior to the merger, the per share cash consideration, based on the number of shares of GBC common stock currently outstanding, would be $69.78 and the per share stock consideration, based on the $35.53 average Southern Missouri common stock price, would consist of 1.9639 shares of Southern Missouri common stock.

Southern Missouri's common stock is listed on the NASDAQ Global Market under the symbol "SMBC". GBC's common stock is not listed on an exchange or quoted on any automated services, and there is no established trading market for shares of GBC common stock. The following table shows the closing sale prices of Southern Missouri common stock as reported on NASDAQ on, and the last known sales prices of GBC common stock as of, June 11, 2018, the day immediately prior to the public announcement of the merger agreement, and September 14, 2018, the last practicable trading day before the printing of this proxy statement/prospectus.

This table also shows the implied value of the merger consideration payable for each share of GBC common stock, calculated by multiplying the closing price of Southern Missouri common stock on those dates by the exchange ratio of 1.9639 for the stock portion of the merger consideration, and adding to that amount $69.78 for the cash portion of the merger consideration.

Date	Southern Missouri Closing Price	GBC Common Stock Sales Price		Implied Value of Merger Consideration for One Share of GBC Common Stock
June 12, 2018	$ 37.14	$ 40.69	(1)	$ 142.72
September 14, 2018	$ [•]	$ [•]	(1)	$ [•]

(1) The last known sale of GBC common stock occurred on February 28, 2013.

GBC Will Hold a Special Meeting of Shareholders on October 24, 2018 (page 24)

A special meeting of GBC's shareholders will be held on October 24, 2018, at 1:00 p.m., local time, in the Board Room of FCB, located at 303 West Market Street, Dexter, Missouri 63841. At the special meeting, holders of GBC common stock will be asked to vote on the following matters:

·the merger agreement proposal; and

·the adjournment proposal.

Only holders of record of GBC common stock at the close of business on September 14, 2018 will be entitled to vote at the special meeting. Each share of GBC common stock is entitled to one vote on the merger agreement proposal and the adjournment proposal. As of the record date, there were 141,765 shares of GBC common stock entitled to vote at the special meeting. As of the record date, GBC's directors and executive officers and their affiliates were entitled to vote approximately 32,295 shares of GBC's common stock, or approximately 22.8% of the total outstanding shares of GBC common stock.

To approve the merger agreement proposal, two-thirds of the shares of GBC common stock must be voted in favor of such proposal. The adjournment proposal will be approved if the votes cast by holders of GBC common stock in favor of such proposal exceed the votes cast in opposition to such proposal. If you mark "ABSTAIN" on your proxy, or fail to submit a proxy and fail to vote in person at the special meeting, it will have the same effect as a vote "AGAINST" the merger agreement proposal. If you mark "ABSTAIN" on your proxy, or fail to submit a proxy and fail to vote in person at the special meeting, it will have no effect on the adjournment proposal.

GBC's majority shareholder, which owns approximately 72.9% of GBC's outstanding shares as of the date of this proxy statement/prospectus, has entered into a voting agreement with Southern Missouri pursuant to which it has agreed, among other things, (i) to vote its shares in favor of the merger agreement proposal, and (ii) subject to limited exceptions, not to sell or otherwise dispose of shares of GBC common stock beneficially owned as of the date of such voting agreement until after the approval of the merger agreement by the shareholders of GBC. As a result of the voting agreement, we expect to receive a number of votes sufficient to satisfy the two-thirds approval requirement described above. For additional information regarding the voting agreement, see "The Merger Agreement—Voting Agreement."

GBC's Board of Directors Unanimously Recommends that GBC Shareholders Vote "FOR" the Approval of the Merger Agreement Proposal and the Adjournment Proposal (page 30).

After careful consideration, GBC's board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement, including the mergers, are advisable and in the best interests of GBC and its common shareholders and has unanimously approved the merger agreement. GBC's board of directors unanimously recommends that holders of GBC common stock vote "FOR" the approval of the merger agreement proposal and "FOR" approval of the adjournment proposal. For the factors considered by GBC's board of directors in reaching its decision to approve the merger agreement, see "The Merger—GBC's Reasons for the Merger; Recommendation of GBC's Board of Directors."

Material U.S. Federal Income Tax Consequences of the Merger (page 51)

The mergers, taken as a whole, are intended to qualify as one or more tax-deferred "reorganizations" within the meaning of Section 368(a) of the Code. Assuming the mergers qualify as a reorganization, a U.S. holder of GBC common stock generally will recognize gain (but not loss) in an amount equal to the lesser of (i) the amount by which the sum of the fair market value of the Southern Missouri common stock (determined as of the effective time of the merger) and cash received by such U.S. holder of GBC common stock in the merger exceeds such U.S. holder's adjusted tax basis in its GBC common stock surrendered and (ii) the amount of cash received by such U.S. holder of GBC common stock (excluding in each case any cash received in lieu of fractional shares of Southern Missouri common stock, with the gain or loss on such fractional share determined separately, as discussed under "Material U.S. Federal Income Tax Consequences of the Merger—Receipt of Cash in Lieu of a Fractional Share of Southern Missouri Stock"). Gain or loss is determined separately with respect to each block of GBC common stock, and a loss realized on one block of shares may not be used to offset a gain realized on another block of shares in the merger.

It is a condition to the completion of the merger that Southern Missouri and GBC each receive from their respective tax advisor a written opinion to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

For further information, see "Material U.S. Federal Income Tax Consequences of the Merger."

The U.S. federal income tax consequences described above may not apply to all holders of GBC common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Holders of GBC Common Stock Have Dissenters' Rights in Connection with the Merger (page 35)

Under the MGBCL, any holder of GBC common stock can dissent from the merger and elect to have the estimated fair value of his or her shares paid in cash instead of receiving the merger consideration under the merger agreement. To assert dissenters' rights, a holder of such shares must satisfy all of the following conditions:

- deliver a written objection to the merger to GBC before the vote on the merger agreement proposal;
- not vote in favor of the merger agreement proposal. The return of a signed proxy which does not specify a vote against the merger agreement proposal or a direction to abstain will constitute a waiver of the shareholder's right to dissent; and
- within 20 days following the effective date of the merger, file a written demand for payment with Southern Missouri and state in the written demand the number of shares of GBC common stock owned by such shareholder.

A copy of the relevant sections of the MGBCL governing this process is attached to this proxy statement/prospectus as Appendix B.

The exercise of dissenters' rights by holders of GBC common stock will result in the recognition of gain or loss, as the case may be, for federal income tax purposes.

GBC's Executive Officers and Directors Have Interests in the Merger that Differ from Your Interests (page 33)

GBC shareholders should be aware that GBC's directors and executive officers have interests in the merger and arrangements that are different from, or in addition to, those of GBC shareholders generally. GBC's board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement, and in recommending that GBC shareholders vote in favor of approving the merger agreement. These interests include the following:

- Certain officers of GBC and/or FCB have severance agreements with FCB that provide for cash payments in the event of a change in control of FCB;
- Brett Dorton, President and Chief Executive Officer of FCB and a director of GBC and FCB, is expected to become an executive officer of Southern Missouri and has entered into an employment agreement with Southern Bank, Southern Missouri's wholly owned bank subsidiary, to be effective upon completion of the merger;
- Certain officers of FCB will be eligible to receive a retention bonus for the purpose of FCB./Southern Missouri retaining such employees prior to and after closing the merger; and
- Continued indemnification and liability insurance coverage following the merger for GBC's directors and officers.

For a more complete description of these interests, see "The Merger—Interests of GBC's Directors and Executive Officers in the Merger."

Regulatory Approvals

Each of Southern Missouri and GBC has agreed to cooperate with the other and use commercially reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement, including the merger, the holding company merger and the bank merger. These include approvals from the Board of Governors of the Federal Reserve System, which we refer to as the Federal Reserve Board, and the Missouri Division of Finance, which we refer to as the Missouri Division. The U.S. Department of Justice may also review the impact of the mergers on competition.

As of the date of this proxy statement/prospectus, all applications and notices necessary to obtain all required regulatory approvals have been filed. There can be no assurance as to whether all required regulatory approvals will be obtained or the dates of the approvals. There also can be no assurance that the regulatory approvals received will not contain a condition or requirement that results in a failure to satisfy the conditions to closing set forth in the merger agreement. See "The Merger Agreement—Conditions to Complete the Merger."

Conditions that Must be Satisfied or Waived for the Merger to Occur (page 47)

As more fully described in this proxy statement/prospectus and in the merger agreement, the completion of the merger is subject to a number of conditions being satisfied or, where legally permitted, waived. These conditions include:

- approval of the merger agreement by GBC's shareholders;

- the filing by Southern Missouri with NASDAQ of a notification form for the listing of the shares of Southern Missouri common stock to be issued in the merger, and the non-objection by NASDAQ to such listing;
- the receipt of all required regulatory approvals without the imposition of any unduly burdensome condition upon Southern Missouri;
- the effectiveness of the registration statement on Form S-4 of which this proxy statement/prospectus is a part;
- the absence of any order, injunction, decree or law, rule or regulation preventing or making illegal the completion of the merger or the bank merger;
- subject to the standards set forth in the closing conditions in the merger agreement, the accuracy of the representations and warranties of Southern Missouri and GBC on the date of the merger agreement and the closing date of the merger;
- performance in all material respects by each of Southern Missouri and GBC of its obligations under the merger agreement, including GBC's consummation of the offer to the minority shareholders of FCB to exchange each of their shares of FCB common stock for shares of GBC common stock immediately prior to the merger, with at least 80% of the FCB minority shareholders participating in the exchange;
- receipt by GBC of certain third-party consents to the merger;
- delivery of a signed voting agreement by GBC's majority shareholder within 48 hours following execution of the merger agreement;
- receipt by Southern Missouri of an executed officer's agreement with Brett Dorton, President and Chief Executive Officer of FCB and a director of GBC and FCB;
- the number of shares of GBC common stock the holders of which have perfected dissenters' rights under Missouri law shall be less than 5.0% of the total number of outstanding shares of GBC common stock assuming all minority shareholders of FCB participate in the share exchange offer; and
- receipt by each of Southern Missouri and GBC of a written opinion from their respective tax advisor as to certain U.S. federal income tax matters.

We expect to complete the merger in the fourth quarter of 2018. No assurance can be given, however, as to when or if the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Non-Solicitation (page 46)

GBC has agreed that it generally will not solicit or encourage any inquiries or proposals regarding other acquisition proposals by third parties. GBC may respond to an unsolicited proposal if the board of directors of GBC determines in good faith that the proposal constitutes or is reasonably likely to result in a transaction that is more favorable from a financial point of view to GBC's shareholders than the merger and that the board's failure to respond would result in a violation of its fiduciary duties. GBC must promptly notify Southern Missouri if it receives any other acquisition proposals.

Termination of the Merger Agreement (page 48)

The merger agreement can be terminated at any time prior to completion of the merger in the following circumstances:

- by mutual written consent of Southern Missouri and GBC;

- by either Southern Missouri or GBC if any governmental entity that must grant a required regulatory approval has denied approval of the merger or bank merger and such denial has become final and non-appealable or any governmental entity of competent jurisdiction has issued a final non-appealable order, injunction or decree permanently enjoining or otherwise prohibiting or making illegal the merger or bank merger, unless the failure to obtain a required regulatory approval is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;
- by either Southern Missouri or GBC if the merger has not been completed on or before December 31, 2018, unless the failure of the merger to be completed by that date is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;
- by either Southern Missouri or GBC (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement) if there is a breach of any of the covenants or agreements or any of the representations or warranties set forth in the merger agreement on the part of the other party which either individually or in the aggregate would result in, if occurring or continuing on the date the merger is completed; the failure of any closing condition of the terminating party and which is not cured within 20 days following written notice to the party committing such breach or by its nature or timing cannot be cured during such period;
- by Southern Missouri, if the board of directors of GBC fails to recommend in this proxy statement/prospectus that its shareholders approve the GBC merger proposal, or the GBC board of directors withdraws, modifies or makes or causes to be made any third party or public communication announcing an intention to modify or withdraw such recommendation in a manner adverse to Southern Missouri, or GBC materially breaches any of its obligations relating to third-party acquisition proposals;
- by either Southern Missouri or GBC, if the immediately above circumstances are not applicable and GBC does not obtain shareholder approval of the merger agreement at the special meeting; or
- by GBC prior to GBC obtaining shareholder approval of the merger agreement in order to enter into an agreement with a third party with respect to an unsolicited superior acquisition proposal. An "acquisition proposal" means a tender or exchange offer, proposal for a merger, consolidation or other business combination involving GBC or FCB or any proposal or offer to acquire in any manner more than 24.99% of the voting power in, or more than 24.99% of the fair market value of the business, assets or deposits of, GBC or FCB. A "superior acquisition proposal" means a written acquisition proposal that the GBC board of directors concludes in good faith to be more favorable from a financial point of view to its shareholders than the merger (after receiving the advice of its financial advisors, after taking into account the likelihood of consummation of such proposal on its terms, and after taking into account all legal, financial, regulatory and other aspects of such proposal), except that for purposes of the term "superior acquisition proposal," references to "more than 24.99%" in the definition of "acquisition proposal" are replaced with references to "a majority."

Termination Fee (page 49)

Set forth below are the termination events that would result in GBC being obligated to pay Southern Missouri a $750,000 termination fee:

- a termination by Southern Missouri based on (i) the board of directors of GBC either failing to continue its recommendation that the GBC shareholders approve the GBC merger proposal or adversely changing such recommendation or (ii) GBC materially breaching the provisions of the merger agreement relating to third-party acquisition proposals;
- a termination by GBC prior to it obtaining shareholder approval of the merger agreement in order to enter into an agreement with a third party with respect to an unsolicited superior acquisition proposal; or

- a termination by either Southern Missouri or GBC as a result of the failure of GBC's shareholders to approve the merger agreement if prior to such termination there is publicly announced another acquisition proposal and within one year of termination GBC or FCB enters into a definitive agreement for or consummates an acquisition proposal (as defined above, except that references to "more than 24.99%" in the definition of "acquisition proposal" are replaced with references to "a majority").

In the event Southern Missouri terminates the merger agreement as a result of a willful and material breach by GBC of the provisions of the merger agreement relating to third-party acquisition proposals, Southern Missouri is not required to accept the termination fee from GBC and may pursue alternate relief against GBC.

The Rights of GBC Shareholders Will Change as a Result of the Merger (page 61)

The rights of holders of GBC common stock will change as a result of the merger due to differences in Southern Missouri's and GBC's governing documents. The rights of holders of GBC common stock are governed by Missouri law and GBC's articles of incorporation and bylaws as amended to date, and those of Southern Missouri's shareholders are governed by Missouri law and by Southern Missouri's articles of incorporation and bylaws as amended to date. Upon completion of the merger, holders of GBC common stock will become shareholders of Southern Missouri, as the continuing legal entity in the merger, and their rights will be governed by Missouri law and by Southern Missouri's articles of incorporation and bylaws.

See "Comparison of Shareholder Rights" for a description of the material differences in shareholder rights under each of the Southern Missouri and GBC governing documents.

Information About the Companies (page 56)

Southern Missouri Bancorp, Inc.

Southern Missouri, headquartered in Poplar Bluff, Missouri, is the holding company for Southern Bank. Southern Bank, founded in 1887, is a Missouri-chartered trust company with banking powers, providing products and services to the communities it serves through its headquarters, 38 full-service branch offices and three limited-service branch offices. As of March 31, 2018, Southern Missouri had assets of $1.8 billion, deposits of $1.6 billion, and stockholders' equity of $196.5 million.

Southern Missouri regularly evaluates opportunities to expand through acquisitions and conducts due diligence activities in connection with such opportunities. As a result, acquisition discussions and, in some cases, negotiations may take place at any time, and acquisitions involving cash, or our debt or equity securities, may occur.

Southern Missouri's principal office is located at 2991 Oak Grove Road, Poplar Bluff, Missouri 63901, and its telephone number is (573) 778-1800. Southern Missouri's common stock is listed on the NASDAQ Global Market under the symbol "SMBC."

Additional information about Southern Missouri and its subsidiaries is contained under "Information About Southern Missouri Bancorp" and is included in documents incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information."

Gideon Bancshares Company

GBC, headquartered in Dexter, Missouri, is the holding company for FCB, a Missouri state-chartered bank. FCB was founded and opened for business in 1920 and currently serves the communities of Gideon, Dexter, Morehouse, Essex, Bloomfield, Advance, Chaffee, Morley, Benton and Oran, Missouri through its 10 branch locations. GBC does not, as an entity, engage in separate business activities of a material nature apart from the activities it performs for FCB. Its primary activities are to provide assistance in the management and coordination of FCB's financial resources. GBC has no significant assets other than 92% of the outstanding shares of common stock of FCB. GBC derives its revenues primarily from the operations of FCB in the form of dividends received from FCB. As of March 31, 2018, GBC had, on a consolidated basis, assets of $222.8 million, deposits of $175.9 million, and stockholders' equity of $21.5 million.

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GBC's principal office is located at 304 North Walnut, Dexter, MO 63841, and its telephone number is (573) 624-8828. GBC's common stock is not listed or traded on any established securities exchange or quotation system. For additional information about GBC see "Information About Gideon Bancshares Company."

GBC Shareholders Should Wait to Surrender Their Stock Certificates Until After the Merger

To receive your merger consideration, you will need to surrender your GBC common stock certificates. If the merger is completed, the exchange agent appointed by Southern Missouri will send you written instructions for exchanging your stock certificates. The exchange agent will be Computershare, Southern Missouri's stock transfer agent, or an unrelated bank or trust company reasonably acceptable to GBC.

Please do not send in your stock certificates until you receive these instructions.

Risk Factors (page 15)

You should consider all the information contained in or incorporated by reference into this proxy statement/prospectus in deciding how to vote on the proposals presented in this proxy statement/prospectus. In particular, you should consider the factors under "Risk Factors."

RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the section "Cautionary Statement Regarding Forward-Looking Statements," you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this proxy statement/prospectus. You should also read and consider the risks associated with the business of Southern Missouri because these risks will relate to the combined company. Descriptions of some of these risks can be found in Southern Missouri's Annual Report on Form 10-K for the fiscal year ended June 30, 2017 filed with the SEC and other reports filed by Southern Missouri with the SEC and incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information."

The aggregate merger consideration to be paid to the holders of GBC common stock will depend on a number of factors.

If the merger is completed, holders of GBC common stock will be entitled to receive aggregate merger consideration equal to (1) 0.975 times GBC's consolidated equity capital as of the last business day of the month immediately preceding the month in which the merger closing occurs, adjusted for certain of GBC's transaction expenses, minus (2) the excess, if any, of the cost of contract termination charges of GBC triggered as a result of the merger over $150,000. As of March 31, 2018, GBC's consolidated equity capital, as adjusted pursuant to the merger agreement, was $22.3 million. Based on this amount, if the merger had been completed in April 2018, the aggregate merger consideration would have been $21.7 million ($22.3 million x 0.975).

The aggregate merger consideration to be paid to the holders of GBC common stock will depend on a number of factors, including GBC's consolidated equity capital as of the last business day of the month immediately preceding the month in which the merger closing occurs, the total amount of GBC's transaction expenses and the final cost of contract termination charges of GBC triggered as a result of the merger. In the event that GBC's consolidated equity capital decreases between now and the effective date of the merger, or estimated transaction expenses and/or contract termination costs are higher than estimated, the aggregate merger consideration payable to holders of GBC common stock will decrease. Conversely, if GBC's consolidated equity capital increases between now and the effective date of the merger, or estimated transaction expenses are less than estimated, the aggregate merger consideration payable to holders of GBC common stock will increase. Accordingly, GBC shareholders will not know at the time of the special meeting the exact amount of merger consideration they will receive upon completion of the merger.

Because the market price of Southern Missouri common stock will fluctuate, holders of GBC common stock cannot be certain prior to the completion of the merger of the market value of the stock portion of the merger consideration they will receive.

The market value of the stock portion of the merger consideration to be paid to the holders of GBC common stock will vary from the closing price of Southern Missouri common stock on the date Southern Missouri and GBC announced the merger, on the date that this proxy statement/prospectus is mailed to GBC shareholders, on the date of the GBC special meeting and on the date the merger is completed and thereafter. However, there will not be any adjustment to the merger consideration for changes in the market price of shares of Southern Missouri common stock. Stock price changes may result from a variety of factors, many of which are beyond the control of Southern Missouri and GBC including, but not limited to, general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Therefore, you will not know at the time of the special meeting the precise market value of the stock portion of the merger consideration you will receive upon completion of the merger. GBC is not generally permitted to terminate the merger agreement or re-solicit the vote of GBC shareholders solely because of changes in the market prices of Southern Missouri's common stock. We urge you to obtain current market quotations for Southern Missouri common stock (NASDAQ: trading symbol "SMBC"). There are no current market quotations for GBC common stock because GBC is a privately owned corporation and its common stock is not traded on any established public trading market.

The market price of Southern Missouri common stock after the merger may be affected by factors different from those currently affecting the value of GBC common stock.

Upon completion of the merger, holders of GBC common stock will become holders of Southern Missouri common stock. Southern Missouri's business differs in important respects from that of GBC, and, accordingly, the results of operations of Southern Missouri and the market price of Southern Missouri common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of GBC.

GBC's shareholders will have less influence as shareholders of Southern Missouri than as shareholders of GBC.

Holders of GBC common stock currently have the right to vote in the election of the board of directors of GBC and on other matters affecting GBC. Immediately following the merger, it is expected that the current shareholders of GBC as a group will hold an ownership interest of approximately 3.3% of the then outstanding Southern Missouri common stock. When the merger occurs, each holder of GBC common stock will become a shareholder of Southern Missouri with a percentage ownership of the combined organization much smaller than such shareholder's percentage ownership of GBC. Because of this, GBC's shareholders will have less influence on the management and policies of Southern Missouri than they now have on the management and policies of GBC.

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or that could have an adverse effect on Southern Missouri following the merger.

Before the mergers may be completed, Southern Missouri and GBC must obtain approvals from the Federal Reserve Board and the Missouri Division. Other approvals, waivers or consents from regulators may also be required. An adverse development in either party's regulatory standing or other factors could result in an inability to obtain regulatory approvals or delay their receipt. Regulators may also impose conditions on the completion of the merger or the bank merger or require changes to the terms of the merger or the bank merger. While Southern Missouri and GBC do not currently expect that any such conditions or changes will be imposed or required, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of Southern Missouri following the merger, any of which might have an adverse effect on Southern Missouri following the merger. Southern Missouri is not obligated to complete the merger if the regulatory approvals received in connection with the completion of the merger impose any unduly burdensome condition upon Southern Missouri. See "The Merger—Regulatory Approvals."

Combining the two companies may be more difficult, costly or time consuming than expected, and the anticipated benefits and cost savings of the merger may not be realized.

The success of the merger, including anticipated benefits and cost savings, will depend, in part, on our ability to successfully combine the businesses of Southern Missouri and GBC. To realize these anticipated benefits and cost savings, after the completion of the merger, Southern Missouri expects to integrate GBC's business into its own. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect Southern Missouri's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits and cost savings of the merger. If Southern Missouri experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause Southern Missouri and/or GBC to lose customers or cause customers to remove their accounts from Southern Missouri and/or GBC and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of GBC and Southern Missouri during this transition period and on Southern Missouri for an undetermined period after completion of the merger. In addition, the actual cost savings of the merger could be less than anticipated.

GBC's directors and executive officers have interests in the merger that may differ from the interests of GBC's shareholders.

GBC's shareholders should be aware that GBC's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of GBC's shareholders generally. These interests and arrangements may create potential conflicts of interest. GBC's board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement, and in recommending that GBC's shareholders vote in favor of approving the merger agreement. These interests include severance payments and retention bonuses to be made to certain officers of GBC and/or FCB, an employment agreement between Brett Dorton, President and Chief Executive Officer of FCB, and Southern Bank, and continued indemnification and liability insurance coverage following the merger for GBC's directors and officers.

For a more complete description of these interests, see "The Merger—Interests of GBC's Directors and Executive Officers in the Merger."

The merger agreement limits GBC's ability to pursue alternative acquisition proposals and requires GBC to pay a termination fee of $750,000 under certain circumstances, including circumstances relating to alternative acquisition proposals.

The merger agreement generally prohibits GBC from initiating, soliciting, encouraging or knowingly facilitating certain third-party acquisition proposals. See "The Merger Agreement—Agreement Not to Solicit Other Offers." The merger agreement also provides that GBC must pay Southern Missouri a termination fee of $750,000 if the merger agreement is terminated under certain circumstances, including GBC's failure to abide by its obligations under the merger agreement not to solicit alternative acquisition proposals. See "The Merger Agreement—Termination Fee." These provisions might discourage a potential competing acquirer from considering or proposing an acquisition of all or a significant part of GBC or FCB at a greater value to GBC's shareholders than Southern Missouri has offered in the merger. The payment of the termination fee could also have an adverse effect on GBC's financial condition.

Termination of the merger agreement could negatively impact GBC regardless of whether the $750,000 termination fee is payable.

If the merger agreement is terminated, there may be various negative consequences for GBC regardless of whether the $750,000 termination fee is payable. For example, GBC's business may be impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger. Additionally, if the merger agreement is terminated, the value of GBC's common stock could decline to the extent current values reflect an assumption that the merger will be completed.

GBC will be subject to business uncertainties and contractual restrictions while the merger is pending.

Southern Missouri and GBC have operated independently and, until the completion of the merger, will continue to operate independently. Uncertainty about the effect of the merger on employees and customers may have an adverse effect on GBC and consequently on Southern Missouri. These uncertainties may impair GBC's ability to attract, retain or motivate key personnel until the merger is consummated, and could cause customers and others that deal with GBC to seek to change existing business relationships with GBC. Retention of certain employees may be challenging during the pendency of the merger as certain employees may experience uncertainty about their future roles with Southern Missouri. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Southern Missouri, Southern Missouri's business following the merger could be harmed. In addition, the merger agreement restricts GBC from making certain acquisitions and taking other specified actions until the merger occurs without the consent of Southern Missouri. These restrictions may prevent GBC from pursuing attractive business opportunities that may arise prior to the completion of the merger. See "The Merger Agreement—Covenants and Agreements-Conduct of Businesses Prior to the Completion of the Merger."

If the merger is not completed, GBC will have incurred substantial expenses without realizing the expected benefits of the merger.

The merger is subject to certain closing conditions, including the receipt of regulatory approvals, the approval of the merger agreement by GBC's shareholders, the consummation of the exchange by GBC of shares of its common stock for at least 80% of the shares of the common stock of FCB held by the minority shareholders of FCB, as well as other conditions, some of which are beyond Southern Missouri's and GBC's control. Neither Southern Missouri nor GBC can predict when or whether these conditions will be satisfied. GBC has incurred or will incur substantial expenses in connection with due diligence surrounding and the negotiation and completion of the transactions contemplated by the merger agreement. If the merger is not completed, GBC would have to recognize these expenses without realizing the expected benefits of the merger.

The dissenters' rights appraisal process is uncertain.

GBC shareholders may or may not be entitled to receive more than the amount provided for in the merger agreement for their shares of GBC common stock if they elect to exercise their right to dissent from the proposed merger, depending on the appraisal of the fair value of the GBC common stock pursuant to the dissenting shareholder procedures under the MGBCL. See "The Merger—Dissenters' Rights of GBC Shareholders" beginning on page 35 and Appendix B to this proxy statement/prospectus. For this reason, the amount of cash that you might be entitled to receive should you elect to exercise your right to dissent from the merger may be more or less than the value of the merger consideration to be paid pursuant to the merger agreement. In addition, it is a condition to Southern Missouri's obligation to complete the merger that the holders of not more than 5% of the outstanding shares of GBC common stock, assuming all minority shareholders of FCB participate in the exchange offer, exercise dissenters' rights. The number of shares of GBC common stock as to which dissenters' rights will be exercised under the MGBCL is not known and, therefore, there is no assurance that this closing condition will be satisfied.

The merger may fail to qualify as a tax-free reorganization under the Internal Revenue Code.

The merger of GBC into Merger Sub has been structured to qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code. The closing of the merger is conditioned upon the receipt by each of Southern Missouri and GBC of an opinion of its respective tax advisor, each dated as of the effective date of the merger, substantially to the effect that, on the basis of facts, representations and assumptions set forth or referred to in that opinion (including factual representations contained in certificates of officers of Southern Missouri and GBC) which are consistent with the state of facts existing as of the effective date of the merger, the merger constitutes a reorganization under Section 368(a) of the Internal Revenue Code. The tax opinions to be delivered in connection with the merger will not be binding on the Internal Revenue Service, referred to as the IRS, or the courts, and neither Southern Missouri nor GBC intends to request a ruling from the IRS with respect to the United States federal income tax consequences of the merger. If the merger fails to qualify as a tax-free reorganization, a GBC shareholder would likely recognize gain or loss on each share of GBC common stock exchanged in the merger in the amount of the difference between the fair market value of the Southern Missouri common stock and cash received by the GBC shareholder in the exchange and the shareholder's basis in the GBC shares surrendered.

For federal income tax purposes, if the merger is a tax-free reorganization, a U.S. holder of GBC common stock who receives a combination of cash and shares of Southern Missouri common stock in exchange for its GBC common stock generally will not recognize loss, but will recognize gain equal to the lesser of (1) the excess, if any, of the sum of the cash received and the fair market value of the Southern Missouri common stock received pursuant to the merger over that shareholder's adjusted tax basis in his or her shares of GBC common stock surrendered, and (2) the amount of cash consideration received by that shareholder pursuant to the merger.

See "Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 51 for a more detailed discussion of the federal income tax consequences of the transaction.

Risk factors relating to Southern Missouri and its business.

Southern Missouri is, and will continue to be, subject to the risks described in Southern Missouri's Annual Report on Form 10-K for the fiscal year ended June 30, 2017, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" on page 67.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains or incorporates by reference a number of forward-looking statements regarding the financial condition, results of operations, earnings outlook and business prospects of Southern Missouri, GBC and the potential combined company and may include statements for the period following the completion of the merger. You can find many of these statements by looking for words such as "expects," "projects," "anticipates," "believes," "intends," "estimates," "strategy," "plan," "potential," "possible" and other similar expressions. Statements about the expected timing, completion and effects of the merger and all other statements in this proxy statement/prospectus or in the documents incorporated by reference in this proxy statement/prospectus other than historical facts constitute forward-looking statements.

Forward-looking statements involve certain risks and uncertainties. The ability of either Southern Missouri or GBC to predict results or actual effects of its plans and strategies, or those of the combined company, is inherently uncertain. Accordingly, actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Some of the factors that may cause actual results or earnings to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those discussed under "Risk Factors" and those discussed in the filings of Southern Missouri that are incorporated into this proxy statement/prospectus by reference, as well as the following:

- the requisite regulatory approvals for the merger might not be obtained, the exchange offer involving the minority shareholders of FCB might not be consummated and other conditions to completion of the merger might not be satisfied or waived;
- expected cost savings, synergies and other benefits from Southern Missouri's merger and acquisition activities, including the merger with GBC, might not be realized within the anticipated time frames or at all, and costs or difficulties relating to integration matters, including but not limited to customer and employee retention, might be greater than expected;
- the strength of the United States economy in general and the strength of the local economies in which we conduct operations;
- fluctuations in interest rates and in real estate values;
- monetary and fiscal policies of the Federal Reserve Board and the U.S. Government and other governmental initiatives affecting the financial services industry;
- the risks of lending and investing activities, including changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for loan losses;
- the ability to access cost-effective funding;
- the timely development of and acceptance of new products and services and the perceived overall value of these products and services by users, including the features, pricing and quality compared to competitors' products and services;
- fluctuations in real-estate values and both residential and commercial real estate market conditions;
- demand for loans and deposits in the market areas of Southern Missouri and GBC;
- legislative or regulatory changes;
- results of examinations of Southern Missouri and GBC by their respective regulators, including the possibility that such regulators may, among other things, require an increase the reserve for loan losses or write-down of assets;
- the impact of technological changes;

·the successful management of the risks involved in the foregoing.

Any forward-looking statements are based upon management's beliefs and assumptions at the time they are made. For any forward-looking statements made in this proxy statement/prospectus or in any documents incorporated by reference into this proxy statement/prospectus, Southern Missouri and GBC claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of the applicable document incorporated by reference in this proxy statement/prospectus. Southern Missouri and GBC do not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to Southern Missouri, GBC or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this proxy statement/prospectus.

SELECTED HISTORICAL FINANCIAL AND COMPARATIVE
UNAUDITED PRO FORMA PER SHARE DATA

Selected Historical Financial Data of Southern Missouri

The following tables set forth selected historical financial and other data of Southern Missouri for the periods and at the dates indicated. The information at June 30, 2017 and 2016 and for the fiscal years ended June 30, 2017, 2016 and 2015 is derived in part from and should be read together with the audited consolidated financial statements and notes thereto of Southern Missouri incorporated by reference into this proxy statement/prospectus from Southern Missouri's Annual Report on Form 10-K for the fiscal year ended June 30, 2017. The information as of June 30, 2015, 2014 and 2013 and for the fiscal years ended June 30, 2014 and 2013 is derived in part from audited consolidated financial statements and notes thereto of Southern Missouri that are not incorporated by reference into or attached to this proxy statement/prospectus.

	At March 31, 2018	At June 30, 2017	2016	2015	2014	2013
	(In thousands)					
Financial Condition Data:						
Total assets	$1,849,793	$1,707,712	$1,403,910	$1,300,064	$1,021,422	$796,391
Loans receivable, net	1,522,445	1,397,730	1,135,453	1,053,146	801,056	647,166
Mortgage-backed securities	78,314	78,275	71,231	70,054	58,151	16,714
Cash, interest-bearing deposits and investment securities	100,543	97,674	81,270	78,258	88,658	77,059
Deposits	1,574,337	1,455,597	1,120,693	1,055,242	785,801	632,379
Borrowings	57,619	56,849	137,301	92,126	111,033	52,288
Subordinated debt	14,921	14,848	14,753	14,658	9,727	7,217
Stockholders' equity	196,496	173,083	125,966	132,643	111,111	101,829

	For the Nine Months Ended March 31,		For the Fiscal Years Ended June 30,				
	2018	2017	2017	2016	2015	2014	2013
	(In thousands)						
Operating Data:							
Interest income	$57,027	$45,143	$61,488	$56,317	$55,301	$40,471	$36,291
Interest expense	10,546	7,563	10,366	9,365	8,766	7,485	7,501
Net interest income	46,481	37,580	51,122	46,952	46,535	32,986	28,790
Provision for loan losses	2,060	1,957	2,340	2,494	3,185	1,646	1,716
Net interest income after provision for loan losses	44,421	35,623	48,782	44,458	43,350	31,340	27,074
Noninterest income	10,316	8,199	11,084	9,758	8,659	6,132	4,468
Noninterest expense	33,201	27,427	38,252	32,686	32,285	23,646	17,521
Income before income taxes	21,536	16,395	21,614	21,530	19,724	13,826	14,021
Income taxes	6,245	4,556	6,062	6,682	6,056	3,745	3,954
Net income	15,291	11,839	15,552	14,848	13,668	10,081	10,067
Less: effective dividend on preferred stock	---	---	---	85	200	200	345
Net income available to common stockholders	$15,291	$11,839	$15,552	$14,763	$13,468	$9,881	$9,722
Basic earnings per share available	$1.77	$1.59	$2.08	$1.99	$1.84	$1.49	$1.48

to common stockholders[1]							
Diluted earnings per share available to common stockholders[1]	$1.77	$1.59	$2.07	$1.98	$1.79	$1.45	$1.44
Dividends per share[1]	$0.33	$0.30	$0.40	$0.36	$0.34	$0.32	$0.30

	At or For the Nine Months Ended March 31,		At or For the Fiscal Years Ended June 30,				
	2018	2017	2017	2016	2015	2014	2013
Key Operating Ratios and Other Data:							
Performance ratios:							
Return on assets (net income to average total assets)	1.15 %	1.08 %	1.05 %	1.11 %	1.07 %	1.09 %	1.32 %
Return on average common equity (net income available to common stockholders divided by average common equity)	11.28	12.15	11.70	12.34	12.48	11.55	12.34
Average equity to average assets	10.19	8.86	8.96	9.40	10.04	11.43	12.92
Interest rate spread (spread between weighted average rate on all interest-earning assets and all interest-bearing liabilities)	3.65	3.63	3.64	3.69	3.81	3.68	3.85
Net interest margin (net interest income as a percentage of average interest-earning assets)	3.80	3.72	3.74	3.80	3.92	3.81	4.02
Noninterest expense to average assets	2.50	2.49	2.58	2.45	2.53	2.56	2.29
Average interest-earning assets to average interest-bearing liabilities	117.06	112.77	113.13	114.38	115.39	114.26	116.68
Allowance for loan losses to gross loans[2]	1.12	1.22	1.10	1.20	1.15	1.14	1.28
Allowance for loan losses to non-performing loans[2]	277.63	474.24	481.65	243.66	323.35	663.37	583.41
Net charge-offs (recoveries) to average outstanding loans during the period	0.03	0.06	0.05	0.09	0.01	0.10	0.13
Ratio of nonperforming assets to total assets[2]	0.56	0.44	0.37	0.64	0.64	0.43	0.58
Common shareholder dividend payout ratio (common dividends as a percentage of earnings available to common shareholders	18.55	18.89	19.14	18.12	18.69	21.44	20.31

	At March 31, 2018	At June 30, 2017	2016	2015	2014	2013
Other Data:						
Number of:						
Real Estate Loans	7,289	6,800	5,554	5,428	4,459	3,637
Deposit Accounts	78,813	72,186	60,839	58,927	43,159	31,980
Full service offices	39	39	33	32	22	17
Limited service offices	3	3	3	3	3	1

(1) All share and per share amounts have been adjusted for the two-for-one common stock split in the form of a 100% common stock dividend paid January 30, 2015.
(2) At end of period.

Comparative Unaudited Pro Forma Per Common Share Data

The table below sets forth the book value per common share, cash dividends per common share, and basic and diluted earnings per common share data for each of Southern Missouri and GBC on a historical basis, for Southern Missouri on a pro forma combined basis and on a pro forma combined basis for GBC equivalent shares. The pro forma GBC equivalent shares data shows the effect of the merger from the perspective of an owner of GBC common stock. The pro forma combined and pro forma combined equivalent shares information give effect to the merger as if the merger had been effective on the date presented in the case of the book value per common share data, and as if the merger had been effective as of July 1, 2016, in the case of the cash dividends paid per common share and earnings per common share data. The pro forma data combine the historical results of GBC into Southern Missouri's consolidated statement of income and, while certain adjustments were made for the estimated impact of certain fair value adjustments and other merger-related activity, they are not indicative of what could have occurred had the merger taken place on July 1, 2016.

The pro forma financial information in the table below is provided for illustrative purposes, does not include any projected cost savings, revenue enhancements or other possible financial benefits of the merger to the combined company and does not attempt to suggest or predict future results. This information also does not necessarily reflect what the historical financial condition or results of operations of the combined company would have been had Southern Missouri and GBC been combined as of the dates and for the periods shown. The information in the table does, however, assume that all minority shareholders of FCB participate in the share exchange and exchange their shares of FCB common stock for shares of GBC common stock.

	Southern Missouri Historical	GBC Historical	Pro Forma Combined Amounts for Southern Missouri		Pro Forma GBC Equivalent Shares[1]
Book value per common share at March 31, 2018	$ 21.92	$ 151.99	$ 22.32	[2]	$ 113.61
Book value per common share at June 30, 2017	$ 20.19	$ 149.84	$ 20.66	[2]	$ 110.35
Cash dividends paid per common share for the nine months ended March 31, 2018	$ 0.33	---	$ 0.33	[3]	$ 0.65
Cash dividends paid per common share for the twelve months ended June 30, 2017	$ 0.40	---	$ 0.40	[3]	$ 0.79
Basic earnings per common share for the nine months ended March 31, 2018	$ 1.77	$ 7.11	$ 1.91	[4]	$ 3.75
Basic earnings per common share for the twelve months ended June 30, 2017	$ 2.08	$ 14.58	$ 2.40	[4]	$ 4.71
Diluted earnings per common share for the nine months ended March 31, 2018	$ 1.77	$ 7.11	$ 1.91	[4]	$ 3.75
Diluted earnings per common share for the twelve months ended June 30, 2017	$ 2.07	$ 14.58	$ 2.39	[4]	$ 4.69

(1) Calculated by multiplying the Pro Forma Combined Amounts for Southern Missouri by the estimated exchange ratio for the stock portion of the merger consideration of 1.9639 shares of Southern Missouri common stock for each share of GBC common stock, which is based on the average Southern Missouri common stock price of $35.53, and, solely in the case of the book value per common share at June 30, 2017 and March 31, 2018, adding to that result cash consideration per share assumed to be $69.78. See "The Merger Agreement—Merger Consideration."

(2) Calculated by dividing the total pro forma combined Southern Missouri and GBC equity by total pro forma combined common shares outstanding at the end of the period.

(3) Represents the historical cash dividends per share paid by Southern Missouri for the period.

(4) Pro forma earnings per common share are based on pro forma combined net income and pro forma combined weighted average shares outstanding during the period.

THE SPECIAL MEETING

This proxy statement/prospectus is being provided to the holders of GBC common stock as part of a solicitation of proxies by the GBC board of directors for use at the special shareholders' meeting to be held at the time and place specified below and at any properly convened meeting following any adjournment or postponement thereof. This proxy statement/prospectus provides the holders of GBC common stock with information they need to know to be able to vote or instruct their vote to be cast at the special meeting.

Date, Time and Place

The special meeting of holders of GBC common stock will be held in the Board Room of FCB, located at 303 West Market Street, Dexter, Missouri 63841, on October 24, 2018, at 1:00 p.m., Central Time.

Purpose of the GBC Special Meeting

At the special meeting, holders of GBC common stock will be asked to consider and vote on a proposal to approve the merger agreement (which we refer to as the "merger agreement proposal") and a proposal to adjourn the special meeting, if necessary or appropriate to solicit additional proxies in favor of the merger agreement proposal (which we refer to as the "adjournment proposal"). Completion of the merger is conditioned on, among other things, shareholder approval of the merger agreement.

Recommendation of the GBC Board of Directors

On June 8, 2018, the GBC board of directors unanimously determined that the merger and the other transactions contemplated by the merger agreement are in the best interests of GBC and its shareholders and it approved the merger agreement and the merger transactions contemplated therein. Accordingly, the GBC board of directors unanimously recommends that GBC shareholders vote "FOR" the merger agreement proposal and "FOR" the adjournment proposal.

Holders of GBC common stock should carefully read this proxy statement/prospectus, including the documents incorporated by reference, and the Appendices in their entirety for more detailed information concerning the merger and the transactions contemplated by the merger agreement.

Record Date; Shareholders Entitled to Vote

The record date for the special meeting is September 14, 2018. Only record holders of shares of GBC common stock at 5:00 p.m. Central Time, or the close of business, on the record date are entitled to notice of, and to vote at, the special meeting or any adjournment or postponement thereof. As of the record date, there were 141,765 shares of GBC common stock issued and outstanding. Each share of GBC common stock on the record date is entitled to one vote on the merger agreement proposal and on the adjournment proposal. The affirmative vote of the holders of at least two-thirds (2/3) of the total outstanding shares of GBC common stock is required to approve the merger agreement proposal. For the adjournment proposal to be approved, the votes cast in favor of such proposal must exceed the votes cast against such proposal.

GBC Shares Subject to a Voting Agreement

GBC's majority shareholder has executed a voting agreement with Southern Missouri pursuant to which it has agreed to vote its shares of GBC common stock in favor of the merger agreement. As of the record date, 103,374 shares of GBC common stock, or approximately 72.9% of the total outstanding shares of GBC common stock entitled to vote at the special meeting are bound by the voting agreement.

Quorum

No business may be transacted at the special meeting unless a quorum is present. Shareholders who hold shares representing at least a majority of the shares entitled to vote at the special meeting must be present in person or represented by proxy to constitute a quorum, but the holders of at least two-thirds (2/3) of the total outstanding shares of GBC common stock must be present, either in person or by proxy at the special meeting, in order to take

action on the merger agreement proposal. The affirmative vote of the holders of at least two-thirds (2/3) of the outstanding shares of GBC common stock is required to approve the merger agreement proposal. As a result, if shares representing at least two-thirds of the total outstanding shares of GBC common stock as of the record date are not present at the special meeting, the presence of a quorum will still not permit the merger agreement proposal to be approved at the special meeting.

All shares of GBC common stock represented at the special meeting, including shares that are represented but that vote to abstain, will be treated as present for purposes of determining the presence or absence of a quorum.

Required Vote

The affirmative vote of the holders of at least two-thirds (2/3) of the issued and outstanding shares of GBC common stock is required to approve the merger agreement proposal. Failures to vote and abstentions will have the same effect as a vote against this proposal. The adjournment proposal will be approved if the votes cast by holders of GBC common stock in favor of such proposal exceed the votes cast against such proposal. Failures to vote and abstentions will have no effect on this proposal.

Voting of Proxies by Holders of Record

If you were a record holder of GBC common stock at the close of business on the record date, a proxy card is enclosed for your use. GBC requests that you vote your shares as promptly as possible by submitting your proxy card by mail using the enclosed return envelope. When the accompanying proxy card is returned properly executed, the shares of GBC common stock represented by it will be voted at the special meeting or any adjournment or postponement thereof in accordance with the instructions contained in the proxy card.

If a proxy card is returned without an indication as to how the shares of GBC common stock represented by it are to be voted with regard to a particular proposal, such shares will be voted "FOR" the merger agreement proposal and "FOR" the adjournment proposal.

At the date hereof, GBC's board of directors has no knowledge of any business that will be presented for consideration at the special meeting and that would be required to be set forth in this proxy statement/prospectus or the related proxy card other than the merger agreement proposal and the adjournment proposal.

No other matter can be considered or voted upon at the special meeting.

Your vote is important. Accordingly, if you were a record holder of GBC common stock on the record date for the special meeting, please sign and return the enclosed proxy card whether or not you plan to attend the special meeting in person.

Attending the Meeting; Voting in Person

Only record holders of GBC common stock on the record date and their duly appointed proxies may attend the special meeting. All attendees must present government-issued photo identification (such as a driver's license or passport) for admittance. The additional items, if any, attendees must bring to gain admittance to the special meeting depend on whether they are shareholders of record or proxy holders. A GBC shareholder who holds shares of GBC common stock directly registered in such shareholder's name who desires to attend the special meeting in person should bring government-issued photo identification. No cameras, recording equipment or other electronic devices will be allowed in the meeting room.

A shareholder who holds shares in "street name" through a broker, bank, trustee or other nominee (referred to in this proxy statement/prospectus as a "beneficial owner") who desires to attend the special meeting in person must bring proof of beneficial ownership as of the record date, such as a letter from the broker, bank, trustee or other nominee that is the record owner of such beneficial owner's shares, a brokerage account statement or the voting instruction form provided by the broker.

A person who holds a validly executed proxy entitling such person to vote on behalf of a record owner of GBC shares who desires to attend the special meeting in person must bring the validly executed proxy naming such

person as the proxy holder, signed by the GBC shareholder of record, and proof of the signing shareholder's record ownership as of the record date.

Revocation of Proxies

A GBC shareholder entitled to vote at the special meeting may revoke a proxy at any time before it is voted at the special meeting by taking any of the following three actions:

- delivering written notice of revocation to Corporate Secretary, c/o Gideon Bancshares Company, 304 North Walnut, Dexter, MO 63841;
- delivering a duly executed proxy card bearing a later date than the proxy that such shareholder desires to revoke; or
- attending the special meeting and voting in person.

Merely attending the special meeting will not, by itself, revoke your proxy; you must vote at the special meeting using forms provided at the meeting for that purpose. The last valid vote GBC receives before or at the special meeting is the vote that will be counted.

If you hold your shares in "street name" through a bank or broker, you must contact such bank or broker if you desire to revoke your proxy.

Solicitation of Proxies

The GBC board of directors is soliciting proxies for the special meeting from holders of GBC common stock entitled to vote at the special meeting. In accordance with the merger agreement, GBC will pay its own cost of soliciting proxies from its shareholders and Southern Missouri will pay the costs of printing and mailing this proxy statement/prospectus. In addition to solicitation of proxies by mail, proxies may be solicited by GBC's officers, directors and regular employees, without additional remuneration, by personal interview, telephone or other means of communication.

GBC will make arrangements with brokerage houses, custodians, nominees and fiduciaries to forward proxy solicitation materials to beneficial owners of GBC common stock. GBC may reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in forwarding the proxy materials.

Abstentions and shares held through a broker or nominee that are voted on any matter are included in determining whether a quorum exists at the special meeting. Brokers that are members of the New York Stock Exchange ("NYSE") or NASDAQ Stock Market, as holders of record, are permitted to vote on certain routine matters in their discretion, but not on non-routine matters. The merger agreement proposal and the adjournment proposal are non-routine matters. Accordingly, if you hold shares of GBC common stock in "street name" and do not provide voting instructions to your broker that is a member of the NYSE or the NASDAQ Stock Market, those shares will not be voted on the merger agreement proposal or the adjournment proposal unless you receive a proxy from that broker that will allow you to vote the shares in person at the special meeting.

Adjournments

Any adjournment of the special meeting may be made from time to time if the approval of the holders of a majority of voting shares who are present or represented by proxy at the special meeting is obtained, whether or not a quorum exists, without further notice other than by an announcement made at the special meeting (unless a new record date is fixed). If a quorum is not present at the special meeting, or if a quorum is present at the special meeting but there are not sufficient votes at the time of the special meeting to approve the proposals, then GBC shareholders may be asked to vote on a proposal to adjourn the special meeting so as to permit solicitation of additional proxies (referred to above as the "adjournment proposal").

Dissenters' Rights

Holders of shares of GBC common stock are entitled to dissenters' rights under Section 351.455 of the MGBCL, provided they satisfy the special conditions and conditions set forth therein. For a more detailed discussion of your dissenters' rights and the requirements for perfecting your dissenters' rights, see "The Merger – Dissenters' Rights of GBC Shareholders." In addition, a copy of Section 351.455 of the MGBCL is attached to this proxy statement/prospectus as Appendix B.

THE MERGER

The following discussion contains certain information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement attached as Appendix A to this proxy statement/prospectus and incorporated herein by reference. We urge you to read carefully this entire proxy statement/prospectus, including the merger agreement attached as Appendix A, for a more complete understanding of the merger.

Terms of the Merger

Each of Southern Missouri's and GBC's board of directors has approved the merger agreement. The merger agreement provides for the merger of GBC with and into Merger Sub, a wholly owned subsidiary of Southern Missouri, with Merger Sub as the surviving entity after the merger. As a result of this merger, each outstanding share of GBC common stock (other than dissenting and treasury shares) will be converted into the right to receive the merger consideration described below. Immediately following the merger, Merger Sub will merge with and into Southern Missouri with Southern Missouri as the surviving entity and, thereafter, GBC's 92% owned bank subsidiary, FCB, will merge with and into Southern Missouri's wholly owned bank subsidiary, Southern Bank, with Southern Bank as the surviving entity after the bank merger. As a result of the mergers, GBC and FCB will cease to exist as separate entities.

If the merger is completed, holders of GBC common stock will be entitled to receive aggregate merger consideration equal to (1) 0.975 times GBC's consolidated equity capital as of the last business day of the month immediately preceding the month in which the merger closing occurs, adjusted for certain of GBC's transaction expenses, minus (2) the excess, if any, of the cost of contract termination charges of GBC triggered as a result of the merger over $150,000. As of March 31, 2018, GBC's consolidated equity capital, as adjusted for its estimated transaction expenses and contract termination costs, was $22.3 million. Based on this amount, if the merger had been completed in April 2018, the aggregate merger consideration would have been $21.7 million ($22.3 million x 0.975).

Fifty percent (50%) of the merger consideration will be paid in cash and fifty percent (50%) will be paid in shares of Southern Missouri common stock. The per share cash consideration will be equal to 50% of the aggregate merger consideration divided by the number of shares of GBC common stock issued and outstanding immediately prior to the merger assuming all minority shareholders of FCB participate in the exchange offer described below. The per share stock consideration will be a number of shares of Southern Missouri common stock equal to the per share cash consideration divided by $35.53, the average Southern Missouri common stock price. Assuming aggregate merger consideration of $21.7 million and that all minority shareholders of FCB participate in the exchange offer described below, the per share cash consideration, based on the number of shares of GBC common stock currently outstanding, would be $69.78 and the per share stock consideration would be fixed at 1.9639 shares of Southern Missouri common stock for each share of GBC common stock outstanding. The per share stock consideration to be issued at the 1.9639 exchange ratio would represent approximately $69.78 in value for each share of GBC common stock, which, when added to the $69.78 per share cash merger consideration, equates to approximately $139.56 in value for each share of GBC common stock. GBC shareholders who would otherwise be entitled to a fractional share of Southern Missouri common stock will instead receive an amount in cash equal to the fractional share interest multiplied by $35.53.

Under the above scenario, if you held 100 shares of GBC common stock immediately prior to the merger, you would receive $6,978.00 in cash ($69.78 x 100) and 196 shares of Southern Missouri common stock (1.9639 x 100) plus $13.86 in cash in lieu of a fraction of a Southern Missouri share (0.39 x $35.53).

As stated above, the aggregate merger consideration the holders of GBC common stock will receive in the merger is based on GBC's consolidated equity capital (as adjusted pursuant to the merger agreement) as of the last business day of the month immediately preceding the month in which the merger closing occurs. Accordingly, the aggregate merger consideration to be paid to the holders of GBC common stock at closing will depend on a number of factors, including GBC's consolidated equity capital as of the last business day of the month immediately preceding the month in which the merger closing occurs, the total amount of GBC's transaction expenses and the final cost of contract termination charges of GBC triggered as a result of the merger. In addition, since the stock portion of the merger

consideration is calculated based on $35.53 (the average Southern Missouri common stock price), the market value of the stock portion of the merger consideration to be paid to the holders of GBC common

stock will vary from the closing price of Southern Missouri common stock on the date Southern Missouri and GBC announced the merger, on the date that this proxy statement/prospectus is mailed to GBC shareholders, on the date of the GBC special meeting and on the date the merger is completed and thereafter. However, there will not be any adjustment to the merger consideration for changes in the market price of shares of Southern Missouri common stock. Therefore, you will not know at the time of the special meeting the precise aggregate merger consideration or the market value of the stock portion of the merger consideration you will receive upon completion of the merger. We urge you to obtain current market quotations for Southern Missouri common stock (NASDAQ: trading symbol "SMBC").

It is a condition to Southern Missouri's obligation to complete the merger that an exchange offer by GBC be consummated with the minority shareholders of FCB holding at least 80% of the outstanding shares of FCB's common stock not owned by GBC, whereby such minority shareholders will become holders of GBC common stock immediately prior to the merger. Under the terms of the voting agreement entered into with GBC's majority shareholder, in addition to agreeing to vote its shares of GBC common stock in favor of the merger agreement, GBC's majority shareholder has also agreed to exchange in the exchange offer all shares it owns in FCB. As of the date of this proxy statement/prospectus, GBC's majority shareholder owned approximately 5.7% of FCB's outstanding common stock, representing approximately 73.3% of FCB's outstanding common stock held by the minority shareholders of FCB. Assuming consummation of the exchange offer and completion of the merger, the minority shareholders of FCB will be entitled to receive the merger consideration payable under the merger agreement.

After the completion of the merger, if there are any minority shareholders of FCB who did not participate in the exchange offer, Southern Missouri will adopt a new or amended plan of merger for the bank merger providing for the shares of FCB common stock owned by such non-participating minority shareholders to be converted into the right to receive consideration payable by Southern Missouri that is identical in form and amount to the merger consideration that such non-participating minority shareholders would have been entitled to receive under the merger agreement had they participated in the exchange offer , subject to their rights under the Missouri law to demand payment of the value of their shares of FCB common stock.

Holders of GBC common stock are being asked to approve the merger agreement proposal. See "The Merger Agreement" for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the completion of the merger and the provisions for terminating or amending the merger agreement.

Background of the Merger

In connection with the ongoing consideration and evaluation of its long-term strategic alternatives and prospects, GBC's board of directors and executive management team have considered and regularly reviewed the strategic direction and business objectives of its consolidated organization as part of their continuous efforts to enhance value to its shareholders and other constituencies. GBC also developed a formal succession plan to establish protocols and procedures to be followed in the event of the loss of key members of its executive management team. In August 2017, Norman Harty passed away. Mr. Harty was the President, Chairman and the principal shareholder of GBC, owning approximately 72.9% of the outstanding shares of GBC. Immediately following the death of Mr. Harty, GBC's board of directors and executive management met to discuss the succession plan and to evaluate GBC's ability to continue to operate as an independent institution.

In September 2017, in accordance with the directives of GBC's board of directors, GBC's executive management prepared bid solicitation materials for distribution to potential acquirors. GBC initially contacted 12 institutions that it believed might be potential merger candidates for GBC. From among those contacted, eight institutions expressed an interest in further exploring a potential acquisition of GBC. After entering into confidentiality agreements with these eight institutions, GBC set up a secure online portal to facilitate the necessary due diligence to be conducted by the interested parties. On November 15, 2017, upon completion of their due diligence, two institutions submitted offers to GBC.

GBC's board of directors and executive management reviewed and discussed the two offers and on November 15, 2017, determined to continue negotiations with Southern Missouri, whose offer consisted of merger consideration payable 50% in cash and 50% in shares of Southern Missouri's publicly-traded common stock. Southern Missouri's

offer included a 60-day exclusivity clause to negotiate the definitive agreement.

On December 5, 2017, Southern Missouri sent representatives to GBC to conduct on-site loan review for a period of three days. Following several weeks of negotiations, representatives of both parties met in person on February 8th to conclude their verbal understandings regarding the business terms of the proposed transaction. On March 12, 2018, GBC and Southern Missouri executed a non-binding indication of interest summarizing the material terms of the proposed merger and providing for a 60-day exclusivity period during which GBC would not solicit offers from organizations other than Southern Missouri while the parties worked toward preparation of a definitive merger agreement. During the exclusivity period, GBC established a secure online portal to facilitate the additional due diligence being conducted by Southern Missouri.

GBC received the first draft of the merger agreement from Southern Missouri on March 21, 2018 and the parties began negotiating the financial and legal terms of the transaction and the merger agreement. On June 8, 2018, GBC's board of directors met to consider and discuss the terms of the merger agreement and the merger, after which the GBC board of directors concluded that the merger agreement and merger with Southern Missouri would be in the best interests of GBC's shareholders and approved the merger agreement. Southern Missouri's board of directors separately approved the merger agreement on June 8, 2018.

On June 12, 2018, GBC and Southern Missouri each executed the merger agreement and Southern Missouri issued a press release announcing the merger.

GBC's Reasons for the Merger; Recommendation of GBC's Board of Directors

GBC's board of directors believes that the merger is in the best interest of GBC and its shareholders. Accordingly, GBC's board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that GBC's shareholders vote "FOR" approval of the merger agreement.

The board believes that combining with Southern Missouri will create a stronger and more diversified organization that will provide significant benefits to GBC's shareholders and customers alike.

The terms of the merger agreement, including the consideration to be paid to GBC's shareholders, were the result of arm's length negotiations between representatives of GBC and representatives of Southern Missouri. In arriving at its determination to approve the merger agreement, GBC's board of directors considered a number of factors, including the following material factors:

- GBC's board of directors' familiarity with and review of information concerning the business, results of operations, financial condition, competitive position and future prospects of GBC;
- the current and prospective environment in which GBC operates, including national, regional and local economic conditions, the competitive environment for banks, thrifts and other financial institutions generally, the increased regulatory burdens on financial institutions generally and the trend toward consolidation in the banking industry and in the financial services industry;
- that shareholders of GBC will receive one-half of the merger consideration in shares of Southern Missouri common stock, which is listed on the NASDAQ Stock Market, contrasted with the absence of a public market for GBC's common stock;
- the treatment of the merger as a "reorganization" within the meaning of Section 368(a) of the Code with respect to the shares of GBC common stock exchanged for Southern Missouri common stock;
- the results that GBC could expect to obtain if it continued to operate independently, and the likely benefits to shareholders of that course of action, as compared with the value of the merger consideration offered by Southern Missouri;
- that minority shareholders of FCB, following the share exchange transaction with GBC, will have the opportunity to receive a value equivalent to that received by the shareholders of GBC in connection with the merger;

- the ability of Southern Missouri to pay the aggregate merger consideration without a financing contingency and without the need to obtain financing to close the transaction;
- the ability of Southern Missouri to receive the requisite regulatory approvals in a timely manner;
- the terms and conditions of the merger agreement, including the parties' respective representations, warranties, covenants and other agreements, and the conditions to closing;
- that a merger with a larger holding company would provide the opportunity to realize economies of scale, increase efficiencies of operations and enhance the development of new products and services;
- that GBC's directors and executive officers have financial interests in the merger in addition to their interests as GBC shareholders, including financial interests that are the result of compensation arrangements with GBC, and the manner in which such interests would be affected by the merger;
- that the cash portion of the merger consideration will be taxable to GBC's shareholders upon completion of the merger;
- the requirement that GBC conduct its business in the ordinary course and the other restrictions on the conduct of GBC's business before completion of the merger, which may delay or prevent GBC from undertaking business opportunities that may arise before completion of the merger; and
- that under the merger agreement GBC cannot solicit competing proposals for the acquisition of GBC.

The GBC board of directors also considered a number of potential risks and uncertainties associated with the merger in connection with its deliberation of the proposed transaction, including, without limitation, the following:

- the potential risk of diverting management attention and resources from the operation of GBC's business towards the completion of the merger;
- the restrictions on the conduct of GBC's business prior to the completion of the merger, which are customary for merger agreements involving financial institutions, but which, subject to specific exceptions, could delay or prevent GBC from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of GBC absent the pending completion of the merger;
- the possibility that GBC will have to pay a $750,000 termination fee to Southern Missouri if the merger agreement is terminated under certain circumstances;
- the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating GBC's and FCB's business, operations and workforce with those of Southern Missouri and Southern Bank;
- the merger-related costs and expenses; and
- the other risks described under the heading "Risk Factors."

The foregoing discussion of the information and factors considered by the GBC board of directors is not intended to be exhaustive but includes the material factors considered by the GBC board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the board of directors of GBC did not assign any relative or specific weight to different factors and individual directors may have given weight to different factors. Based on the reasons stated above, the board of directors of GBC believes that the merger is in the best interest of GBC and its shareholders and therefore the board of directors of GBC unanimously approved the merger agreement and the merger.

This summary of the reasoning of GBC's board of directors and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements."

GBC'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" APPROVAL OF THE MERGER AGREEMENT.

Southern Missouri's Reasons for the Merger

After careful consideration, at a meeting held on June 8, 2018, Southern Missouri's board of directors unanimously determined that the merger agreement, including the merger and the other transactions contemplated thereby, is in the best interests of Southern Missouri and its shareholders.

In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Southern Missouri board of directors consulted with Southern Missouri management and considered a number of factors, including the following material factors:

- its knowledge of GBC's business, operations, financial condition, earnings and prospects, taking into account the results of Southern Missouri's due diligence review of GBC and FCB, including Southern Missouri's assessments of their credit policies, asset quality, adequacy of loan loss reserves, interest rate risk and litigation;
- the fact that an acquisition of GBC and FCB would enhance Southern Missouri's strategic presence in the Dexter, Missouri and would add several new communities to complement its existing network of community bank facilities in Dexter, Sikeston, and Cape Girardeau, Missouri;
- the reports of Southern Missouri management concerning the operations and financial condition of GBC and the pro forma financial impact of the merger;
- the strength of FCB's management team;
- the fact that GBC's and FCB's shareholders would own approximately 3.3% of the outstanding shares of Southern Missouri common stock immediately following the merger (assuming all FCB minority shareholders agree to exchange their FCB shares for GBC shares immediately prior to the merger);
- the interests of GBC's directors and executive officers in the merger, in addition to their interests generally as shareholders, as described under "—Interests of GBC's Directors and Executive Officers in the Merger";
- the fact that GBC's and Southern Missouri's management teams share a common business vision and commitment to their respective customers, shareholders, employees and other constituencies;
- the belief of Southern Missouri's management that the merger will be accretive to Southern Missouri's earnings under accounting principles generally accepted in the United States, commonly referred to as "GAAP";
- the fact that the merger is likely to provide an increase in shareholder value, including the benefits of a stronger strategic position;
- the anticipated pro forma impact of the merger on the combined company, including potential synergies, and the expected impact on financial metrics such as earnings and tangible equity per share, as well as on regulatory capital levels;
- the likelihood of a successful integration of GBC's and FCB's business, operations and workforce with those of Southern Missouri;

- the regulatory and other approvals required in connection with the transaction and the likelihood such approvals would be received in a timely manner and without unacceptable conditions; and
- the financial and other terms of the merger agreement, including the merger consideration, tax treatment and termination fee provisions.

The Southern Missouri board of directors also considered a number of potential risks and uncertainties associated with the merger in connection with its deliberation of the proposed transaction, including, without limitation, the following:

- the potential risk of diverting management attention and resources from the operation of Southern Missouri's business towards the completion of the merger;
- the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating GBC's and FCB's business, operations and workforce with those of Southern Missouri;
- the merger-related costs and expenses; and
- the other risks described under the heading "Risk Factors."

The foregoing discussion of the information and factors considered by the Southern Missouri board of directors is not intended to be exhaustive but includes the material factors considered by the Southern Missouri board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Southern Missouri board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Southern Missouri board of directors considered all these factors as a whole, including discussions with, and questioning of, Southern Missouri's management, and overall considered the factors to be favorable to, and to support, its determination.

Southern Missouri's board of directors unanimously approved the merger agreement.

This summary of the reasoning of Southern Missouri's board of directors and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements."

Southern Missouri's Board of Directors Following Completion of the Merger

Following completion of the mergers, the directors of Southern Missouri and Southern Bank immediately prior to the effective time will constitute the boards of directors of Southern Missouri as the surviving corporation and Southern Bank as the resulting institution, respectively.

Interests of GBC's Directors and Executive Officers in the Merger

In considering the recommendation of the GBC board of directors to vote for the merger agreement proposal, you should be aware that the directors and officers of GBC have interests in the merger that are in addition to, or different from, their interests as shareholders of GBC. The board of GBC was aware of these interests and considered them in approving the merger agreement. These interests include:

Indemnification and Insurance. Southern Missouri has agreed to indemnify the directors and officers of GBC prior to the effective time of the merger for five years following the merger against all losses, claims, damages, costs, expenses (including reasonable attorneys' fees), liabilities or judgments or amounts that are paid in settlement (which settlement shall require the prior written consent of Southern Missouri, which consent shall not be unreasonably withheld) of or in connection with any claim, action, suit, proceeding, investigation or other legal proceeding, whether civil, criminal, administrative or investigative or investigation, in which an indemnified party is, or is threatened to be made, a party or witness or arising out of the fact that such person is or was a director or officer of GBC if such claim pertains to any matter of fact arising, existing or occurring at or before the effective

time of the merger to the fullest extent permitted under GBC's articles of incorporation and bylaws, to the extent permitted by applicable law.

Additionally, Southern Missouri has agreed to purchase prior to the effective time of the merger a three-year "tail" policy under its current directors' and officers' liability and insurance policy, which will provide insurance coverage post-merger for the officers and directors of GBC and FCB.

Severance Agreement. FCB is party to severance agreements with nine (9) employees of GBC and/or FCB that provide for cash payments of $1.6 million in the aggregate in the event of a change in control of FCB, which include payments to be made to the following executive officers:

·$364,000 to Rickey Stubbs, President and Chairman of GBC;
·$364,000 to Brett Dorton, President and Chief Executive Officer of FCB; and
·$180,000 to Mary Lawrence, Chief Operating Officer and Senior Vice President of FCB.

Employment Agreement with Southern Missouri. Brett Dorton, President and Chief Executive Officer of FCB and a director of GBC, is expected to become an executive officer of Southern Missouri and has entered into a one-year employment agreement with Southern Bank, Southern Missouri's wholly owned bank subsidiary, to be effective upon completion of the merger. Mr. Dorton will serve as Executive Vice President – Strategies of Southern Bank. Under the terms of Mr. Dorton's employment agreement with Southern Bank, Mr. Dorton will receive an annual base salary of $182,000. In addition, Mr. Dorton will be entitled to (i) such bonus payments as may be determined by Southern Bank and (ii) participate in and receive the benefits of any pension or other retirement benefit plan, profit sharing, employee stock ownership, or other plans, benefits and privileges given to similarly situated employees of Southern Bank. Mr. Dorton's employment agreement further provides that if he remains in the continuous employ of Southern Bank in good standing (i) through the completion of the data processing conversion in connection with the bank merger, he will receive a retention bonus of $30,000 in the first payroll period following completion of such data processing conversion and (ii) for 12 months following the effective date of the merger, he will receive a second retention bonus of $30,000 in the first payroll period following such 12-month anniversary. The $60,000 to be paid to Mr. Dorton as set forth in items (i) and (ii) in the preceding sentence, along with a $30,000 payment to Mr. Dorton by FCB at the time of his execution of the employment agreement, are part of the retention bonus pool discussed below.

Retention Bonuses. A retention bonus pool, of at least $150,000, has been set up by FCB in connection with the merger agreement for the purpose of retaining certain employees of FCB prior to and following the effective time of the merger. As disclosed above, Mr. Dorton is eligible to receive up to $90,000 of the retention bonus pool, of which $30,000 was paid to him by FCB at the time of the execution of his employment agreement with Southern Bank. Ms. Lawrence is eligible to receive $6,000 of the retention bonus pool. Other officers and employees are included in the list of employees eligible for such bonuses. Fifty percent (50%) of the after-tax cost of the bonuses to be paid under this arrangement will be deducted from GBC's capital in determining the merger consideration.

Regulatory Approvals

Each of Southern Missouri and GBC has agreed to cooperate with the other and use commercially reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement, including the merger and the bank merger. These include approvals from the Federal Reserve Board and the Missouri Division. The U.S. Department of Justice may also review the impact of the merger and the bank merger on competition.

As of the date of this proxy statement/prospectus, all applications and notices necessary to obtain all required regulatory approvals have been filed. There can be no assurance as to whether all required regulatory approvals will be obtained or the dates of the approvals. There also can be no assurance that the regulatory approvals

received will not contain a condition or requirement that results in a failure to satisfy the conditions to closing set forth in the merger agreement. See "The Merger Agreement—Conditions to Complete the Merger."

Accounting Treatment

In accordance with current accounting guidance, the mergers will be accounted for using the acquisition method of accounting in accordance with FASB Topic 805, "Business Combinations." The result of this is that the assets and liabilities of Southern Missouri will be carried forward at their recorded amounts, the historical operating results will be unchanged for the prior periods being reported on and the assets and liabilities of GBC will be adjusted to fair value at the date of the mergers. In addition, all identified intangibles will be recorded at fair value and included as part of the net assets acquired. To the extent that the purchase price, consisting of cash plus the number of shares of Southern Missouri common stock to be issued to former GBC shareholders, at fair value, exceeds the fair value of the net assets, including identifiable intangibles, of GBC at the date of the mergers, that amount will be reported as goodwill. In accordance with current accounting guidance, goodwill will not be amortized but will be evaluated for impairment annually. Identified intangibles will be amortized over their estimated lives. Further, the acquisition method of accounting results in the operating results of GBC being included in the operating results of Southern Missouri beginning from the date of completion of the mergers.

Dissenters' Rights of GBC Shareholders

Under Section 351.455 of MGBCL, GBC shareholders who do not vote in favor of the merger agreement proposal and who follow the procedures summarized below will have the right to dissent from and obtain payment in cash of the fair value of their shares of GBC common stock, as of the day prior to the date of the GBC's special meeting, in the event of the consummation of the merger. However, GBC may elect to terminate the merger agreement if holders of 5% or more of GBC outstanding common stock, assuming all minority shareholders of FCB participate in the exchange offer, exercise dissenters' rights. No holder of GBC common stock dissenting from the merger will be entitled to the merger consideration or any dividends or other distributions unless and until the holder fails to perfect or effectively withdraws or loses his or her right to dissent from the merger agreement. If you are contemplating exercising your right to dissent, we urge you to read carefully the provisions of Section 351.455 of the MGBCL, which are attached to this proxy statement/prospectus as Appendix B, and consult with your legal counsel before exercising or attempting to exercise these rights. Holders of GBC common stock receiving cash upon exercise of dissenters' rights may recognize gain for federal income tax purposes. See "Material U.S. Federal Income Tax Consequences of the Merger" on page 67.

ANY SHAREHOLDER WHO WISHES TO EXERCISE DISSENTERS' RIGHTS OR WHO WISHES TO PRESERVE HIS OR HER RIGHT TO DO SO SHOULD REVIEW APPENDIX B CAREFULLY AND CONSULT HIS OR HER LEGAL ADVISOR. FAILURE TO TIMELY AND PROPERLY COMPLY WITH THE PROCEDURES SET FORTH THEREIN WILL RESULT IN THE LOSS OF SUCH RIGHTS.

A GBC shareholder may assert dissenters' rights only by complying with all of the following requirements:

(1) The shareholder must deliver to GBC prior to or at the special meeting a written objection to the merger agreement. The written objection should be delivered or mailed in time to arrive before the vote is taken on the merger agreement proposal at the special meeting to Gideon Bancshares Company, 304 North Walnut, Dexter, MO 63841, Attention: Corporate Secretary. The written objection must be made in addition to, and separate from, any proxy or other vote against adoption of the merger agreement proposal. Neither a vote against, a failure to vote for, nor an abstention from voting will satisfy the requirement that a written objection be delivered to GBC before the vote on the merger agreement proposal is taken. Unless a shareholder files the written objection as provided above, he or she will not have any dissenters' rights of appraisal.

(2) The shareholder must not vote in favor of adoption of the merger agreement. The return of a signed proxy which does not specify a vote against the merger agreement proposal or a direction to abstain will constitute a waiver of the shareholder's right to dissent.

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(3) The shareholder must deliver to Southern Missouri within twenty days after the effective time of the merger a written demand for payment of the fair value of his or her shares of GBC common stock as of the day prior to the date on which the vote for the merger agreement proposal was taken. That demand must include a statement of the number of shares of GBC common stock owned. The demand must be mailed or delivered to Southern Missouri Bancorp, Inc. at 2991 Oak Grove Road, Poplar Bluff, Missouri 63901, Attn: Greg A. Steffens, President and Chief Executive Officer. Any shareholder who fails to make a written demand for payment within the twenty-day period after the effective time will be conclusively presumed to have consented to the merger agreement and will be bound by the terms thereof. Neither a vote against the merger agreement nor the written objection referred to in clause (1) above satisfies the written demand requirement referred to in this clause (3).

A beneficial owner of shares of GBC common stock who is not the record owner may not assert dissenters' rights. If the shares of GBC common stock are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, or by a nominee, the written demand asserting dissenters' rights must be executed by the fiduciary or nominee. If the shares of GBC common stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand must be executed by all joint owners. An authorized agent, including an agent for two or more joint owners, may execute the demand for a shareholder of record; however, the agent must identify the record owner and expressly disclose the fact that, in executing the demand, he or she is acting as agent for the record owner.

If within thirty days of the effective time the value of a dissenting shareholder's shares of GBC common stock is agreed upon between the shareholder and Southern Missouri, Southern Missouri will make payment to the shareholder within ninety days of the effective time, upon the shareholder's surrender of his or her GBC common stock certificates. Upon payment of the agreed value, the dissenting shareholder will cease to have any interest in such shares or in Southern Missouri.

If the dissenting shareholder and Southern Missouri do not agree on the fair value of the shares within thirty days after the effective time, the dissenting shareholder may, within sixty days after the expiration of the thirty days, file a petition in any court of competent jurisdiction within Butler County, Missouri asking for a finding and a determination of the fair value of the shares. The dissenting shareholder is entitled to judgment against Southern Missouri for the amount of the fair value as of the day prior to the date on which such vote was taken adopting the merger agreement, together with interest thereon to the date of judgment. The judgment is payable only upon and simultaneously with the surrender to the Southern Missouri of the GBC common stock certificates representing said shares. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares or in Southern Missouri. Unless the dissenting shareholder files a petition within the allotted time frame, the shareholder and all persons claiming under the shareholder will be conclusively presumed to have adopted and ratified the merger agreement and will be bound by the terms thereof.

The right of a dissenting shareholder to be paid the fair value for his or her shares will cease if the shareholder fails to comply with the procedures of Section 351.455 or if the merger agreement is terminated for any reason.

It is a condition to the completion of the merger that the holders of less than 5% of GBC's outstanding common stock, assuming all minority shareholders of FCB participate in the exchange offer, exercise dissenters' rights.

THE PRECEDING IS QUALIFIED IN ITS ENTIRETY BY THE TEXT OF THE APPRAISAL PROVISIONS OF SECTION 351.455. A COPY OF THAT STATUTE IS ATTACHED HERETO AS APPENDIX B AND IS INCORPORATED HEREIN BY REFERENCE. TO THE EXTENT THERE ARE ANY INCONSISTENCIES BETWEEN THE FOREGOING SUMMARY AND THE APPLICABLE PROVISIONS OF THE MGBCL, THE

MGBCL WILL CONTROL.

Southern Missouri's Dividend Policy

The holders of Southern Missouri common stock receive cash dividends if and when declared by the Southern Missouri board of directors out of legally available funds. The timing and amount of cash dividends depends on Southern Missouri's earnings, capital requirements, financial condition, cash on hand and other relevant factors. Southern Missouri also has the ability to receive dividends or capital distributions from its bank subsidiary,

Southern Bank. There are regulatory restrictions on the ability of Southern Bank to pay dividends. As a bank holding company, Southern Missouri's ability to pay dividends is subject to the guidelines of the Federal Reserve Board regarding capital adequacy and dividends and limitations under Missouri law. Southern Missouri currently pays a quarterly cash dividend of $0.11 per share on its outstanding common stock. No assurances can be given that cash dividends will not be reduced or eliminated in future periods. For additional information, see "Comparative Market Prices and Dividends on Common Stock."

Public Trading Markets

Southern Missouri's common stock is listed on the NASDAQ Global Market under the symbol "SMBC." The shares of Southern Missouri common stock issuable in the merger for shares of GBC common stock will be listed on NASDAQ. GBC's common stock is not listed on an exchange or quoted on any automated services, and there is no established trading market for shares of GBC common stock.

THE MERGER AGREEMENT

The following describes certain aspects of the mergers, including certain material provisions of the merger agreement. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this proxy statement/prospectus as Appendix A and is incorporated by reference into this proxy statement/prospectus. We urge you to read the merger agreement carefully, in its entirety, as it is the legal document governing the merger.

Structure of the Merger

The merger agreement provides for the merger of GBC with and into Merger Sub, a wholly owned subsidiary of Southern Missouri, with Merger Sub as the surviving entity after the merger. As a result of this merger, each outstanding share of GBC common stock (other than dissenting and treasury shares) will be converted into the right to receive the merger consideration described below. Immediately following the merger, Merger Sub will merge with and into Southern Missouri with Southern Missouri as the surviving entity and, thereafter, GBC's 92% owned bank subsidiary, FCB, will merge with and into Southern Missouri's wholly owned bank subsidiary, Southern Bank, with Southern Bank as the surviving entity after the bank merger. As a result of the mergers, GBC and FCB will cease to exist as separate entities.

Merger Consideration

If the merger is completed, holders of GBC common stock will be entitled to receive aggregate merger consideration equal to (1) 0.975 times GBC's consolidated equity capital as of the last business day of the month immediately preceding the month in which the merger closing occurs, adjusted for certain of GBC's transaction expenses, minus (2) the excess, if any, of the cost of contract termination charges of GBC triggered as a result of the merger over $150,000. Fifty percent (50%) of the aggregate merger consideration will be paid in cash and fifty percent (50%) will be paid in shares of Southern Missouri common stock.

At the effective time of the merger, each share of GBC common stock that is issued and outstanding immediately prior to the completion of the merger, excluding shares of GBC common stock that are owned by GBC or Southern Missouri (other than shares held in a fiduciary or agency capacity for third parties and other than shares held in respect of a debt previously contracted) and shares with respect to which dissenters' rights have been perfected, will be converted into the right to receive the following:

- a cash amount, which we refer to as the "per share cash consideration," equal to 50% of the aggregate merger consideration divided by the number of shares of GBC common stock that will be issued and outstanding immediately prior to the closing of the merger assuming all of the minority shareholders of FCB exchange their shares of FCB common stock for shares of GBC common stock immediately prior to the merger pursuant to the exchange offer described below; and
- a number of shares of Southern Missouri common stock, which we refer to as the "per share stock consideration," equal to the per share cash consideration divided by $35.53, the average closing price of Southern Missouri common stock for the 20-trading day period ending on and including the fifth trading day preceding June 12, 2018 (the date of the merger agreement), which we refer to as the "average Southern Missouri common stock price."

The number of shares of Southern Missouri common stock issuable as the per share stock consideration will fluctuate with the market price of Southern Missouri common stock and will not be known at the time GBC shareholders vote on the merger agreement. Southern Missouri will not issue any fractional shares of Southern Missouri common stock in the merger. GBC shareholders who would otherwise be entitled to a fractional share of Southern Missouri common stock will instead receive an amount in cash equal to the fractional share interest multiplied by $35.53, the average Southern Missouri common stock price.

Closing and Effective Time of the Merger

The merger will be completed only if all conditions to the consummation of the merger set forth in the merger agreement are either satisfied or waived. See "—Conditions to Complete the Merger." The closing of the merger will occur on a date mutually agreed upon by the parties which will coordinate with the date scheduled with Southern Missouri's data processor for the conversion of GBC's data (but not earlier than five business days) after the satisfaction or waiver of all conditions to completion of the merger (other than those that by their nature are to be satisfied or waived at the closing of the merger), subject to extension by mutual agreement of the parties. It currently is anticipated that the closing of the merger will occur in the fourth quarter of 2018, subject to the receipt of regulatory approvals and other closing conditions.

The merger will become effective as set forth in the articles of merger to be filed with the Secretary of State of the State of Missouri.

No assurances can be given as to when or if the merger will be completed.

Conversion of Shares; Exchange Procedures

The conversion of GBC common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. Prior to the effective time of the merger, Southern Missouri will appoint its transfer agent or an unrelated bank or trust company reasonably acceptable to GBC to act as exchange agent for the exchange of GBC common stock for the merger consideration.

Letter of Transmittal

Within five days after completion of the merger, the exchange agent will mail to each holder of record of a certificate previously representing shares of GBC common stock that have been converted into the right to receive the merger consideration: (1) a letter of transmittal and (2) instructions for surrendering certificates in exchange for the merger consideration, any cash in lieu of a fractional share of Southern Missouri common stock and any dividends or distributions to which such holder is entitled. Conforming procedures will be used for any shares of GBC common stock held in book-entry form.

If a certificate for shares of GBC common stock has been lost, stolen or destroyed, the exchange agent will issue the merger consideration payable in respect of those shares upon (1) receipt of an affidavit of that fact by the claimant and (2) if required by Southern Missouri or the exchange agent, the posting by the claimant of a bond in an amount Southern Missouri or the exchange agent reasonably determines is necessary as indemnity against any claim that may be made against it with respect to such certificate.

After completion of the merger, there will be no further transfers on the stock transfer books of GBC of shares of GBC common stock that were issued and outstanding immediately prior to the effective time of the merger other than to settle transfers that occurred prior to the effective time.

Tax Withholding

Southern Missouri or the exchange agent will be entitled to deduct and withhold from any cash consideration payable under the merger agreement to any holder of GBC common stock the amounts it is required to deduct and withhold under the Code or any provision of state, local or foreign tax law. If any such amounts are withheld and paid over to the appropriate governmental authority, these amounts will be treated for all purposes of the merger agreement as having been paid to the persons from whom they were withheld.

Dividends and Distributions

No dividends or other distributions declared with respect to Southern Missouri common stock will be paid to the holder of any shares of GBC common stock until the holder surrenders such shares in accordance with the merger agreement. After the surrender of such shares in accordance with the merger agreement, the record holder

thereof will be entitled to receive any such dividends or other distributions with a record date after the effective time of the merger, without any interest, which had previously become payable with respect to the whole shares of Southern Missouri common stock which the shares of GBC common stock have been converted into the right to receive under the merger agreement.

Representations and Warranties

The representations and warranties described below and included in the merger agreement were made only for purposes of the merger agreement and as of specific dates, may be subject to limitations, qualifications or exceptions agreed upon by the parties, including those included in confidential disclosures made for the purposes of, among other things, allocating contractual risk between Southern Missouri and GBC rather than establishing matters as facts, and may be subject to standards of materiality that differ from those standards relevant to GBC shareholders. You should not rely on the representations, warranties, or any description thereof as characterizations of the actual state of facts or condition of Southern Missouri, GBC or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in public disclosures by Southern Missouri that are incorporated by reference into this proxy statement/prospectus. The representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information."

The merger agreement contains customary representations and warranties of each of Southern Missouri and GBC relating to their respective businesses. The representations and warranties in the merger agreement do not survive completion of the merger.

The representations and warranties made by each of GBC and Southern Missouri in the merger agreement relate to a number of matters, including the following:

- due organization and qualification;
- capitalization;
- subsidiaries;
- corporate powers;
- authority relative to execution and delivery of the merger agreement and the absence of conflicts with, or violations of, organizational documents or other obligations as a result of the merger or bank merger;
- required governmental and other regulatory filings, consents and approvals in connection with the merger and the bank merger;
- financial statements and the absence of certain changes or events;
- in the case of Southern Missouri, SEC reports;
- legal proceedings;
- reports to regulatory authorities and absence of agreements with regulatory authorities;
- compliance with applicable laws;
- in the case of GBC, certain contracts;

- in the case of GBC, no broker's fees payable in connection with the merger;
- employee benefit matters and labor matters;
- the accuracy of information supplied for inclusion in this proxy statement/prospectus and other documents;
- inapplicability of takeover statutes;
- environmental matters;
- tax matters;
- risk management instruments;
- the accuracy of corporate record books;
- in the case of GBC, insurance matters;
- accounting and internal controls;
- in the case of Southern Missouri, the availability of sources of capital and authorized shares of common stock sufficient to pay the merger consideration;
- loan matters and allowance for loan losses;
- properties;
- investment securities;
- intellectual property;
- related party transactions;
- absence of actions or circumstances that would prevent the merger or the bank merger from qualifying as a "reorganization" under Section 368(a) of the Code;
- the proper administration of fiduciary accounts;
- in the case of GBC, the absence of an action or a failure to act by any present or former director, officer, employee or agent of GBC or any of its subsidiaries that would give rise to a claim for indemnification by such individual; and
- no representation or warranty is misleading.

Southern Missouri also has represented to GBC that Southern Missouri does not own any GBC stock other than shares of GBC common stock held in trust accounts, managed or similar accounts or otherwise held in a fiduciary or agency capacity, that are beneficially owned by third parties.

Certain representations and warranties of Southern Missouri and GBC are qualified as to "materiality" or "material adverse effect." For purposes of the merger agreement, a "material adverse effect," when used in reference to either Southern Missouri, GBC or the combined company following the merger, means:

(1) a material adverse effect on the business, properties, results of operations or financial condition of such party and its subsidiaries taken as a whole (provided that a material adverse effect will not be deemed to include the impact of (A) changes, after the date of the merger agreement, in GAAP or applicable regulatory accounting requirements, (B) changes, after the date of the merger agreement, in laws, rules or regulations of general applicability to companies in the industries in which such party and its subsidiaries operate, or interpretations thereof by courts or governmental entities, (C) changes, after the date of the merger agreement, in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in economic or market (including equity, credit and debt markets, as well as changes in interest rates) conditions affecting the financial services industry generally, (D) public disclosure of the transactions contemplated by the merger agreement or actions or inactions expressly required by the merger agreement or that are taken with the prior written consent of the other party in contemplation of the transactions contemplated by the merger agreement, or (E) a decline in the trading price of a party's common stock or the failure, in and of itself, of a party to meet earnings projections, but not, in either case, including the underlying causes thereof; except, with respect to subclauses (A), (B), or (C), to the extent that the effects of such change are materially disproportionately adverse to the business, properties, assets, liabilities, results of operations or financial condition of such party and its subsidiaries, taken as a whole, as compared to other companies in the industry in which such party and its subsidiaries operate); or

(2) a material adverse effect on the ability of such party or its financial institution subsidiary to timely consummate the transactions contemplated by the merger agreement.

Covenants and Agreements

Conduct of Businesses Prior to the Completion of the Merger

Pursuant to the merger agreement, each of GBC and Southern Missouri has agreed to certain restrictions on its activities until the merger is completed or terminated. In general, each party has agreed that, except as otherwise permitted by the merger agreement, or as required by applicable law or a governmental entity or with the prior written consent of the other party, it will, and will cause each of its subsidiaries to:

- use reasonable efforts to maintain and preserve intact its business organization and advantageous business relationships and not take any action reasonably likely to impair its ability to perform any of its obligations under the merger agreement; and
- not take any action that would, or is reasonably likely to, cause the merger or the bank merger to fail to qualify as a reorganization under Section 368(a) of the Code and not knowingly take any action that is intended or is reasonably likely to result in any of the conditions to the completion of the merger not being satisfied or a material violation of any provision of the merger agreement;

Southern Missouri has also agreed that it will not pay or declare any extraordinary dividends (other than dividends from Southern Bank to Southern Missouri), and it will not and will not permit any of its subsidiaries to amend its articles of incorporation or bylaws or other governing documents in a manner that would materially and adversely affect the benefits of the merger to the holders of GBC common stock. Southern Missouri will, however, reserve a sufficient number of shares of its common stock to pay the stock portion of the merger consideration, and will use its best efforts to cause the shares of Southern Missouri common stock to be issued in the merger to be authorized for listing on NASDAQ. In addition, Southern Missouri has agreed that it will not enter into any agreement, arrangement or understanding with respect to a merger, acquisition, consolidation, share exchange or similar business combination involving Southern Missouri and/or a subsidiary of Southern Missouri, where the effect of such agreement, arrangement or understanding, or the consummation of the transactions contemplated thereby, would be reasonably likely to or does result in the termination of the merger agreement, materially delay or jeopardize the receipt of any required regulatory approval for the merger or bank merger or the filing of any regulatory application, or cause the anticipated tax treatment of the merger or the bank merger to be unavailable; however, this provision does not prohibit any transaction that by its terms contemplates the consummation of the merger in accordance with the merger agreement and which treats holders of GBC common stock, upon completion

of the merger and their receipt of Southern Missouri common stock, in the same manner as the holders of Southern Missouri common stock.

GBC has also agreed that it will, and will cause each of its subsidiaries to, conduct its business in the ordinary and usual course. GBC has further agreed that it will not, and will not permit any of its subsidiaries to, do any of the following without the prior written consent of Southern Missouri:

- issue, sell or otherwise permit to become outstanding, or authorize the creation of, any additional shares of GBC common stock or rights to acquire stock or permit any additional shares of GBC common stock to become subject to grants of employee or director stock options, other rights or similar stock-based employee rights other than shares of GBC common stock to be issued in connection with the exchange offer to FCB minority shareholders;
- except as specified in the disclosure schedules to the merger agreement, pay or declare any dividends or other distributions on GBC common stock;
- adjust, split, combine, redeem, reclassify, purchase or otherwise acquire any shares of GBC's capital stock, other ownership interests or rights to acquire stock;
- enter into, modify, renew, or terminate any employment, severance or similar agreement or arrangement with any director, officer, employee or independent contractor, or grant any salary or wage increase or increase any employee benefit (including incentive or bonus payments) other than (A) normal increases in compensation to employees, (B) individual cash bonuses in accordance with past practice and (C) a retention bonus of at least $150,000 in the aggregate for purposes of retaining certain individuals prior to and after the merger;
- except as required by law or to satisfy a previously disclosed contractual obligation existing as of the date of the merger agreement, establish, modify or terminate any employee benefit plan or take action to accelerate the vesting of benefits under any employee benefit plan;
- sell, transfer, lease, encumber or otherwise dispose of or discontinue any of its assets, deposits, business or properties or intellectual property, except in the ordinary course of business consistent with past practice in a transaction that is not material to GBC and its subsidiaries taken as a whole;
- acquire the assets, business, deposits or properties of any other entity, other than pursuant to foreclosure or acquisition of control in a fiduciary capacity or in satisfaction of debts previously contracted in each case in the ordinary and usual course of business consistent with past practice;
- except as specified in the disclosure schedules to the merger agreement, sell or acquire any loans (excluding residential mortgage loans originated for resale in the ordinary course of business), loan participations (excluding sales of participations that have been offered to Southern Missouri on GBC's standard terms and that Southern Missouri has declined to purchase) or servicing rights;
- amend its governing documents;
- implement or adopt any change in its accounting principles, practices or methods, except as may be required by accounting principles generally accepted in the United States or regulatory accounting principles;
- enter into, materially modify or terminate any material contract, other than in the ordinary course of business consistent with past practice;
- except in the ordinary course of business consistent with past practice, settle any claim, action or proceeding, except for any claim, action or proceeding that does not involve precedent for other material claims, actions or proceedings and that involve solely money damages in an amount, individually or in the aggregate for all such settlements, that is not material to GBC and its subsidiaries taken as a whole;

- foreclose upon any real property without obtaining a phase one environmental report, except for one- to four-family non-agricultural residential properties of five acres or less which GBC does not have reason to believe might be in violation of or require remediation under environmental laws;
- in the case of FCB, (i) voluntarily make a material change in its deposit mix; (ii) increase or decrease the interest rate paid on its time deposits or certificates of deposit except in a manner consistent with past practice and competitive factors in the marketplace; (iii) incur any material liability or obligation relating to retail banking and branch merchandising, marketing and advertising activities and initiatives except in the ordinary course of business consistent with past practice; (iv) open any new branch of deposit taking facility; or (v) close or relocate any existing branch or other facility;
- acquire any investment securities outside of the limits specified in the merger agreement;
- except as specified in the disclosure schedules to the merger agreement or for emergency repairs or replacements, make capital expenditures other than in the ordinary course of business consistent with past practices;
- materially change its loan underwriting policies or make loans or extensions of credit in excess of amounts specified in the merger agreement;
- invest in any new or existing joint venture, partnership or similar activity or any new real estate development or construction activity, other than by way of foreclosures or acquisitions of control in a fiduciary capacity or in satisfaction of debts previously contracted, in each case in the ordinary and usual course of business consistent with past practice ;
- materially change its interest rate and other risk management policies and practices;
- except as specified in the disclosure schedules to the merger agreement, incur any debt for borrowed funds other than advances, repurchase agreements and other borrowing from the Federal Home Loan Bank of Des Moines in the ordinary course of business with a term of one year or less, or incur, assume, guarantee or otherwise become subject to any obligations or liabilities of any other person, other than in the ordinary course of business and subject to the restrictions set forth in the merger agreement;
- enter into, modify or renew any lease or license other than in the ordinary course of business consistent with past practice and involving an amount in excess of the limit in the merger agreement,
- permit the lapse of any intellectual property rights;
- create any lien on any of its assets or properties, other than the pledge of assets to secure public deposits and in connection with securing advances, repurchase agreements and other borrowings in the ordinary course of business;
- make charitable contributions in excess of limits specified in the merger agreement;
- except as required by GAAP, regulatory accounting principles or by a regulatory authority, make a change in policy respect to loan loss reserves and charge-offs, asset/liability management or any other material matter;
- develop, market or implement any new products or lines of business; or
- agree or commit to do any of the foregoing.

Regulatory Matters

Southern Missouri and GBC have agreed to cooperate with each other and use their commercially reasonable best efforts to promptly prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, and to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and governmental entities which are necessary or advisable to consummate the transactions contemplated by the merger agreement. Southern Missouri and GBC have also agreed to furnish each other with all information reasonably necessary or advisable in connection with any statement, filing, notice or application to any governmental entity in connection with the merger and the bank merger, as well as to keep each other apprised of the status of matters related to the completion of the transactions contemplated by the merger agreement and to advise the other upon receiving any communication from any governmental entity whose approval is required for the merger or bank merger that causes the receiving party to believe that there is a reasonable likelihood that any required regulatory approval will not be obtained or may be materially delayed, or that any such approval may contain a condition or requirement that is deemed unduly burdensome by Southern Missouri including any condition that would increase the minimum regulatory capital requirements of Southern Missouri or Southern Bank.

Employee Benefit Plan Matters

Following the effective time of the merger, Southern Missouri will cause Southern Bank to maintain employee benefit plans and compensation opportunities for the benefit of employees who are full-time employees of FCB on the merger closing date (referred to below as "covered employees") that provide employee benefits and compensation opportunities which, in the aggregate, are substantially comparable and equivalent to the employee benefits and compensation opportunities that are made available on a uniform and non-discriminatory basis to similarly situated employees of Southern Bank. Until such time as covered employees participate in the benefit plans and compensation opportunities that are made available to similarly situated employees of Southern Bank, a covered employee's continued participation in the employee benefit plans and compensation opportunities of FCB will be deemed to satisfy this provision of the merger agreement. In no event will any covered employee be eligible to participate in any closed or frozen plan of Southern Missouri or its subsidiaries.

To the extent that a covered employee becomes eligible to participate in a Southern Missouri benefit plan, Southern Bank will cause the plan to recognize full-time years of prior service from the date of the most recent hire of such covered employee with FCB, for purposes of eligibility, participation, vesting and, except under any plan that determines benefits on an actuarial basis, for benefit accrual, but only to the extent such service was recognized immediately prior to the merger closing date under a comparable GBC benefit plan in which such covered employee was eligible to participate immediately prior to completion of the merger. This recognition of service will not duplicate any benefits of a covered employee with respect to the same period of service.

With respect to any Southern Missouri benefit plan that is a health, dental, vision or other welfare plan in which any covered employee is eligible to participate for the plan year in which such covered employee is first eligible to participate, Southern Bank will use commercially reasonable best efforts to cause any pre-existing condition limitations or eligibility waiting periods to be waived with respect to the covered employee to the extent such pre-existing condition was or would have been covered under a GBC benefit plan in which such covered employee participated immediately prior to the effective time of the merger.

GBC has agreed to take, and cause its subsidiaries to take, all actions requested by Southern Missouri that may be necessary or appropriate to (i) cause one or more GBC benefit plans to terminate as of the effective time of the merger, or as of the date immediately preceding the effective time of the merger, or with respect to any GBC benefit plan that is a multiple employer plan, to terminate its participation in such plan (and at the request of Southern Missouri to withdraw from such plan) no later than the date immediately preceding the effective time of the merger, (ii) cause benefit accruals and entitlements under any GBC benefit plan to cease as of the effective time of the merger, or as of the date immediately preceding the effective time, (iii) cause the continuation on and after the effective time of the merger of any contract, arrangement or insurance policy relating to any GBC benefit plan for such period as

may be requested by Southern Missouri, and (iv) facilitate the merger of any GBC benefit plan into any employee benefit plan maintained by Southern Missouri or a Southern Missouri subsidiary.

Full-time employees of FCB who are not executive officers, are not otherwise entitled to contractual or other severance or change in control benefits and are involuntarily terminated by Southern Bank without cause at the time of or within one year following the closing of the merger will be paid by Southern Bank a severance benefit equal to one week of base pay for each year of full-time employment at FCB with a maximum payment of 13 weeks base pay, subject to such employees executing and not revoking a release of all employment claims.

Director and Officer Indemnification and Insurance

For a period of five years following the merger, and to the maximum extent permitted by GBC's articles of incorporation and bylaws and applicable law, Southern Missouri has agreed to indemnify and hold harmless the directors and officers of GBC and FCB for all losses and claims incurred by these individuals in their capacity as such and arising out of or relating to matters existing or occurring at or prior to completion of the merger (including the transactions contemplated by the merger agreement).

Additionally, the merger agreement requires Southern Missouri to purchase prior to the effective time of the merger a three-year "tail" policy under its current directors' and officers' liability and insurance policy, which will provide insurance coverage post-merger for the officers and directors of GBC and FCB. The cost of this policy shall not exceed 150% of GBC's current annual premium for directors' and officers' insurance. If the tail policy cannot be obtained for this amount, then Southern Missouri will pay the required premium cost to obtain as much comparable insurance as is available for this amount.

Shareholder Meeting and Recommendation of GBC's Boards of Directors

GBC has agreed to cause its board of directors to call a special meeting of shareholders for the purpose of voting upon the merger agreement within 40 days after notice of the meeting is given to GBC shareholders. GBC has further agreed to use its commercially reasonable best efforts to convene and hold the meeting on its scheduled date obtain the approval of the merger agreement by GBC shareholders at that meeting. In addition, GBC has agreed to include in this proxy statement/prospectus and in all other communications with GBC shareholders the recommendation of GBC's board of directors that GBC shareholders approve the merger agreement, subject to the board's ability to withdraw or modify that recommendation as described under "—Agreement Not to Solicit Other Offers. Notwithstanding any change in recommendation by the board of directors of GBC, unless the merger agreement has been terminated in accordance with its terms, GBC is required to convene the GBC special meeting and to submit the merger agreement to a vote of its shareholders.

Agreement Not to Solicit Other Offers

GBC has agreed that, from the date of the merger agreement until the effective time of the merger or, if earlier, the termination of the merger agreement, it will not, and will cause its subsidiaries not to: (i) initiate, solicit, encourage or knowingly facilitate inquiries or proposals with respect to, or engage in any discussions or negotiations concerning, or provide to any person any confidential or nonpublic information concerning, GBC's and its subsidiaries' business, properties or assets with respect to an acquisition proposal; or (ii) have any discussions with any person or entity relating to an acquisition proposal. An "acquisition proposal" means a tender or exchange offer, proposal for a merger, consolidation or other business combination involving GBC or FCB or any proposal or offer to acquire in any manner more than 24.99% of the voting power in, or more than 24.99% of the fair market value of the business, assets or deposits of, GBC or FCB, other than the merger and the bank merger.

If GBC receives an unsolicited written acquisition proposal prior to shareholder approval of the merger agreement that GBC's board of directors determines in good faith will constitute or result in a transaction that is more favorable from a financial point of view to the shareholders of GBC than the merger with Southern Missouri (referred to as a "superior proposal"), GBC may provide confidential information to and negotiate with the third party that submitted such acquisition proposal if the GBC board of directors determines in good faith, after consulting with counsel, that the failure to do so would violate the board's fiduciary duties. In order to constitute a superior proposal, an acquisition proposal to acquire voting power in, or a portion of the business, assets or deposits

of, GBC or FCB must be for a majority of such voting power or a majority of the fair market value of such business, assets or deposits. GBC must promptly advise Southern Missouri of any acquisition proposal received and keep it apprised of any related developments.

The merger agreement generally prohibits the GBC board of directors from withdrawing or modifying in a manner adverse to Southern Missouri the board's recommendation that GBC's shareholders vote to approve the merger agreement (referred to as a "change in recommendation"). At any time prior to the approval of the merger agreement by GBC's shareholders, however, the GBC board of directors may effect a change in recommendation in response to a bona fide written unsolicited acquisition proposal that the board determines in good faith, after consultation with outside legal counsel, constitutes a superior proposal. The GBC board of directors may not make a change in recommendation in response to a superior proposal, or terminate the merger agreement to pursue a superior proposal, unless it has given Southern Missouri at least four business days to propose a modification to the merger agreement and, after considering any such proposed modification, the GBC board of directors determines in good faith, after consultation with counsel, that the proposal continues to constitute a superior proposal.

If Southern Missouri terminates the merger agreement based on a change in recommendation by the GBC board of directors or GBC terminates the merger agreement to pursue a superior proposal, GBC will be required to pay Southern Missouri a termination fee of $750,000 in cash. See "-Termination of the Merger Agreement" and "-Termination Fee."

Exchange Offer for Minority Shareholders of FCB

In connection with the mergers, GBC has agreed under the merger agreement to offer all shareholders of FCB other than itself, which in total represents approximately 8.0% of the outstanding shares of FCB common stock, the opportunity to exchange each of their shares of common stock of FCB for shares of GBC common stock, which newly issued shares of GBC common stock will, upon completion of the merger, be converted into the right to receive the merger consideration. It is intended that the exchange will occur immediately prior to the consummation of the merger, such that if the merger is not consummated the exchange will not be consummated. GBC will provide the minority shareholders of FCB with an offering circular that describes the terms of the exchange offer, the merger and other pertinent information.

After the completion of the merger, if there are any minority shareholders of FCB who did not participate in the exchange offer, Southern Missouri will adopt a new or amended plan of merger for the bank merger providing for the shares of FCB common stock owned by such non-participating minority shareholders to be converted into the right to receive consideration payable by Southern Missouri that is identical in form and amount to the merger consideration that such non-participating minority shareholders would have been entitled to receive under the merger agreement had they participated in the exchange offer, subject to their rights under the Missouri law to demand payment of the value of their shares of FCB common stock. Under these circumstances, it is uncertain as to how soon after the merger the bank merger will occur; absent these circumstances, the bank merger is expected to occur immediately after the merger.

Conditions to Complete the Merger

Southern Missouri's and GBC's respective obligations to complete the merger are subject to the satisfaction or, to the extent legally permitted, waiver of the following conditions:

- the approval of the merger agreement by GBC's shareholders;
- to the extent required, the filing by Southern Missouri with NASDAQ of a notification form for the listing of the shares of Southern Missouri common stock to be issued in the merger, and the non-objection by NASDAQ to such listing;
- the effectiveness of the registration statement of which this proxy statement/prospectus is a part, and the absence of any stop order (or proceedings for that purpose initiated or threatened and not withdrawn);

- the absence of any order, injunction, decree or law preventing or making illegal the completion of the merger or the bank merger;
- accuracy, as of the date of the merger agreement and as of the closing date of the merger, of the representations and warranties made by Southern Missouri and GBC to the extent specified in the merger agreement, and the receipt by each party of an officer's certificate from the other party to that effect;
- the performance by the other party in all material respects of all obligations required to be performed by it under the merger agreement and the receipt by each party of an officer's certificate from the other party to that effect; and
- receipt by each party of an opinion of its tax advisor to the effect that on the basis of facts, representations and assumptions set forth or referred to in such opinion, the mergers taken as a whole will qualify as one or more "reorganizations" within the meaning of Section 368(a) of the Code.

The following are additional conditions to Southern Missouri's obligation to complete the merger:

- receipt by GBC of all designated third-party consents;
- receipt of a signed voting agreement from GBC's majority shareholder within 48 hours following execution of the merger agreement;
- the receipt of all necessary regulatory authorizations, consents, orders or approvals, including from the Federal Reserve Board and the Missouri Division, necessary to consummate the merger and the bank merger, without the imposition of any condition or requirement, which individually or in the aggregate, is deemed unduly burdensome by Southern Missouri, including any condition that would increase the minimum regulatory capital requirements of Southern Missouri or Southern Bank, and such authorizations, consents, orders and approvals shall remain in full force and effect and all statutory waiting period in respect thereof shall have expired;
- the holders of less than 5.0% of the outstanding shares of GBC common stock assuming all minority shareholders of FCB participate in the share exchange offer shall have exercised dissenters' rights under Missouri law;
- receipt of an executed officer's agreement with Brett Dorton, President and Chief Executive Officer of FCB; and
- GBC shall have entered into an exchange agreement with the holders of at least 80% of the outstanding shares of common stock of FCB not owned by GBC and completed the exchange offer and issuance of shares of GBC common stock to such holders in accordance with such exchange agreement.

Neither Southern Missouri nor GBC can provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party.

Termination of the Merger Agreement

The merger agreement can be terminated at any time prior to completion of the merger in the following circumstances:

- by mutual written consent of Southern Missouri and GBC;
- by either Southern Missouri or GBC, if any governmental entity that must grant a required regulatory approval has denied approval of the merger or bank merger and such denial has become final and non-appealable or any governmental entity of competent jurisdiction has issued a final non-appealable order, injunction or decree permanently enjoining or otherwise prohibiting or making illegal the merger or bank merger, unless the failure to obtain a required regulatory approval is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;

- by either Southern Missouri or GBC, if the merger has not been completed on or before December 31, 2018, unless the failure of the merger to be completed by that date is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;
- by either Southern Missouri or GBC (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement), if there is a breach of any of the covenants or agreements or any of the representations or warranties set forth in the merger agreement on the part of the other party which, either individually or in the aggregate, would constitute, if occurring or continuing on the merger closing date, the failure of a closing condition of the terminating party and which is not cured within 20 days following written notice to the party committing such breach, or which by its nature or timing cannot be cured during such period;
- by Southern Missouri, if the board of directors of GBC fails to recommend in this proxy statement/prospectus that its shareholders approve the merger agreement, or the GBC board of directors withdraws, modifies or makes or causes to be made any third party or public communication announcing an intention to modify or withdraw such recommendation in a manner adverse to Southern Missouri, or GBC materially breaches any of its obligations relating to third-party acquisition proposals;
- by either Southern Missouri or GBC, if the special meeting of GBC shareholders has been held (including any postponement or adjournment thereof) and the required vote to approve the merger agreement has not been obtained;
- provided in the case of a termination by GBC that GBC has complied in all material respects with its obligations under the merger agreement, including with respect to its board of directors recommending approval of the merger agreement and the non-solicitation of third-party acquisition proposals;
- by GBC prior to GBC obtaining shareholder approval of the merger agreement in order to enter into an agreement with respect to a third party superior unsolicited acquisition proposal, provided GBC has not committed a material breach of its obligations with respect to third-party acquisition proposals and concurrently with such termination pays Southern Missouri a termination fee of $750,000 in cash.

Effect of Termination

If the merger agreement is terminated, it will become void and have no effect, except that (1) both Southern Missouri and GBC will remain liable for any liabilities or damages arising out of its willful breach of any provision of the merger agreement except, in the case of GBC, if the termination fee is paid, and (2) designated provisions of the merger agreement will survive the termination, including those relating to payment of fees and expenses.

Termination Fee

Southern Missouri will be entitled to a termination fee of $750,000 from GBC if the merger agreement is terminated under the following circumstances:

- a termination by Southern Missouri based on (i) the board of directors of GBC either failing to continue its recommendation that the GBC shareholders approve the merger agreement or adversely changing such recommendation or (ii) GBC materially breaching the provisions of the merger agreement relating to third-party acquisition proposals;

- a termination by GBC prior to obtaining shareholder approval of the merger agreement in order to enter into an agreement with a third party with respect to an unsolicited superior acquisition proposal as described above; or
- a termination by either Southern Missouri or GBC as a result of the failure of GBC's shareholders to approve the merger agreement if prior to such termination there is publicly announced another acquisition proposal and within one year of termination GBC or FCB enters into a definitive agreement for or consummates an acquisition proposal. For purposes of this bullet point, an acquisition proposal to acquire voting power in, or a portion of the business, assets or deposits of, GBC or FCB must be for a majority of such voting power or a majority of the fair market value of such business, assets or deposits.

In the event Southern Missouri terminates the merger agreement as a result of a willful and material breach by GBC of the provisions of the merger agreement relating to third-party acquisition proposals, Southern Missouri is not required to accept the termination fee from GBC and may pursue alternate relief against GBC.

Expenses and Fees

All fees and expenses incurred in connection with the merger agreement and the transactions contemplated thereby will be paid by the party incurring such fee or expense, except that the costs and expenses of printing and mailing this proxy statement/prospectus and all filing and other fees paid to the SEC in connection with the merger will be paid by Southern Missouri.

Amendment, Waiver and Extension of the Merger Agreement

Subject to compliance with applicable law, the merger agreement may be amended by the parties at any time before or after approval of the merger agreement by the shareholders of GBC, except that after approval of the merger agreement by the shareholders of GBC, there may not be, without further approval of such shareholders, any amendment of the merger agreement that requires further approval of such shareholders under applicable law.

At any time prior to completion of the merger, the parties may, to the extent legally allowed, extend the time for the performance of any of the obligations or other acts of the other party, waive any inaccuracies in the representations and warranties contained in the merger agreement or in any document delivered pursuant to the merger agreement, and waive compliance with any of the agreements or satisfaction of any conditions contained in the merger agreement.

Voting Agreement

As an inducement to Southern Missouri to enter into the merger agreement, GBC's majority shareholder has entered into a voting agreement with Southern Missouri with respect to the shares of GBC common stock beneficially owned by it. The following summary of the voting agreement is qualified in its entirety by reference to the form of voting agreement, a copy of which is attached as Exhibit A to the merger agreement, which is included in Appendix A to this proxy statement/prospectus.

Pursuant to the voting agreement, GBC's majority shareholder has agreed:

- to vote, or cause to be voted, all of the shares of GBC common stock it beneficially owns in favor of approval of the merger agreement proposal and against the approval or adoption of any proposal made in opposition to the merger;
- to vote (exchange), or cause to be voted (exchanged), all of the shares of FCB common stock it beneficially owns in the exchange offer; and
- not to sell, transfer or otherwise dispose of any such shares of GBC common stock or FCB common stock until after GBC shareholder approval of the merger agreement or FCB shareholder approval of the exchange offer, excluding (i) a transfer where the transferee has agreed in writing to abide by the terms of the voting agreement in a form reasonably satisfactory to Southern Missouri, (ii) a transfer by will or operation of law, or (iii) a transfer made with the prior written consent of Southern Missouri.

The obligations under the voting agreement will terminate on the first to occur of: (i) the termination of the merger agreement, (ii) the approval of the merger agreement and the exchange offer by GBC's shareholders and FCB's shareholders, respectively, (iii) an amendment to the merger agreement which reduces the amount of or alters the form of the merger consideration, or (iv) the parties' mutual agreement to terminate the voting agreement.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

The following summary describes generally the material U.S. federal income tax consequences of the merger to U.S. holders of GBC common stock. The term "U.S. holder" means a beneficial owner of shares of GBC common stock that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any state thereof or the District of Columbia;
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) such trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes; or
- an estate that is subject to U.S. federal income taxation on its income regardless of its source.

This discussion is based upon current provisions of the Code, the U.S. Treasury Regulations promulgated thereunder, judicial decisions and published positions of the Internal Revenue Service (the "IRS"), all as in effect as of the date of this document, and all of which are subject to change or differing interpretations, possibly with retroactive effect. Any such change or interpretation could affect the continued accuracy of the statements and conclusions set forth in this discussion.

This discussion is for general information only and does not purport to address all aspects of U.S. federal income taxation that may be relevant to particular holders of GBC common stock in light of their particular facts and circumstances. This discussion addresses only U.S. holders of GBC common stock that hold such stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This summary does not address any tax consequences of the merger under any state, local or foreign laws or any federal laws other than those pertaining to income tax, nor does it address any considerations in respect of any withholding required pursuant to the Foreign Account Tax Compliance Act of 2010 (including the U.S. Treasury Regulations issued thereunder and intergovernmental agreements entered into pursuant thereto). This discussion does not address considerations that may be relevant to particular holders of GBC common stock in light of their individual circumstances or to holders of GBC common stock that are subject to special rules, including, without limitation, holders that are: (i) banks and other financial institutions; (ii) subchapter S corporations, entities or arrangements treated as partnerships for U.S. federal income tax purposes or other pass-through entities and investors therein; (iii) retirement plans; (iv) individual retirement accounts or other tax-deferred accounts; (v) holders who are liable for the alternative minimum tax; (vi) insurance companies; (vii) mutual funds; (viii) holders who actually or constructively own more than 5% of GBC common stock; (ix) holders who acquired their shares in exchange for shares of FCB's common stock; (x) tax-exempt organizations; (xi) dealers in securities or currencies; (xii) traders in securities that elect to use a mark-to-market method of accounting; (xiii) shareholders that hold GBC common stock as part of a straddle, hedge, constructive sale, conversion or other integrated transaction; (xiv) regulated investment companies; (xv) real estate investment trusts; (xvi) former citizens or former residents of the United States; (xvii) U.S. holders whose "functional currency" is not the U.S. dollar; (xviii) "controlled foreign corporations"; (xix) "passive foreign investment companies"; (xx) holders that exercise dissenters' rights; and (xxi) holders who acquired their shares of GBC common stock through the exercise of a stock option, through a tax -qualified retirement plan or otherwise as compensation.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds GBC common stock, the tax treatment of a person treated as a partner in that partnership generally will depend upon the status of the partner and the activities of the partnership. Persons that for U.S. federal income tax purposes are treated as partners in partnerships holding shares of GBC common stock should consult their own tax advisors about the tax consequences of the merger to them.

ALL HOLDERS OF GBC COMMON STOCK SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING THE APPLICABILITY AND EFFECTS OF U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX LAWS.

In connection with the filing with the SEC of the registration statement on Form S-4 of which this proxy statement/prospectus is a part, Silver, Freedman, Taff & Tiernan LLP, tax counsel to Southern Missouri, has rendered its tax opinion to Southern Missouri and Yewell G. Lawrence, Esquire, tax counsel to GBC, has rendered its tax opinion to GBC addressing the U.S. federal income tax consequences of the merger as described below. The discussion below of the material U.S. federal income tax consequences of the merger serves, insofar as such discussion constitutes statements of United States federal income tax law or legal conclusions, as the opinion of each of Silver, Freedman, Taff & Tiernan LLP and Yewell G. Lawrence, Esquire as to the material U.S. federal income tax consequences of the merger to the U.S. holders of GBC common stock. In rendering their respective tax opinions, each counsel relied upon representations and covenants, including those contained in certificates of officers of Southern Missouri and GBC, reasonably satisfactory in form and substance to each such counsel. If any of the representations or assumptions upon which the opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected. Copies of the tax opinions are attached as Exhibits 8.1 and 8.2 to the Registration Statement on Form S-4.

Treatment of the Merger as a "Reorganization"

The parties intend for the mergers, taken as a whole, to be treated as one or more "reorganizations" for U.S. federal income tax purposes. The obligations of the parties to complete the merger are conditioned on, among other things, the receipt by GBC and Southern Missouri of tax opinions from Yewell G. Lawrence, Esquire and Silver, Freedman, Taff & Tiernan LLP, respectively, each dated and based on the facts and law existing as of the closing date of the merger, that for U.S. federal income tax purposes the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. In addition, the obligation of each of Yewell G. Lawrence, Esquire and Silver, Freedman, Taff & Tiernan LLP to deliver such opinions is conditioned on the merger satisfying the statutory and regulatory requirements of a "reorganization," including the "continuity of proprietary interest" requirement. That requirement generally will be satisfied if Southern Missouri common stock constitutes at least 40% of the value of the total consideration to be paid or deemed paid in the merger.

In the opinion of Yewell G. Lawrence, Esquire and Silver, Freedman, Taff & Tiernan LLP, in reliance on representation letters provided by GBC and Southern Missouri and upon customary factual assumptions, as well as certain covenants and undertakings of GBC and Southern Missouri, the mergers taken as a whole will qualify as one or more "reorganizations" within the meaning of Section 368(a) of the Code. If any of such representations, assumptions, covenants or undertakings are or become incorrect, incomplete, or inaccurate, or are violated, the validity of the opinions described above may be affected, and the U.S. federal income tax consequences of the merger could differ materially from those described below. Neither Southern Missouri nor GBC has sought, and neither of them will seek, any ruling from the IRS regarding any matters relating to the merger, and the opinions described above will not be binding on the IRS or any court. Consequently, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth in such opinions or below.

U.S. Federal Income Tax Consequences of the Merger to U.S. Holders

Subject to the qualifications and limitations set forth above, the material U.S. federal income tax consequences of the merger to U.S. holders will be as follows:

The Investment Adviser is located at 227 West Monroe Street, Chicago, Illinois 60606, GPIM is located at 100 Wilshire Boulevard, Suite 500, Santa Monica, California 90401, Security Investors is located at One Security Benefit Place Topeka, KS 66636 and each are wholly owned subsidiaries of Guggenheim. Guggenheim is a global, diversified financial services firm with more than $250 billion in assets under supervision as of September 30, 2016. Guggenheim, through its affiliates, provides investment management, investment advisory, insurance, investment banking and capital markets services. Guggenheim Investments represents the investment management division of Guggenheim. The firm is headquartered in Chicago and New York with a global network of offices throughout the United States, Europe and Asia.

Portfolio Managers of the Combined Fund. The Combined Fund will be managed by a team of investment professionals comprised of Farhan Sharaff, Assistant Chief Investment Officer of GPIM; Jayson Flowers, Senior Managing Director of GPIM; Scott Hammond, Senior Portfolio Manager of GPIM; Qi Yan, Managing Director and Portfolio Manager of GPIM; Daniel Cheeseman, Portfolio Manager of GPIM; and Scott Barker, Director of GPIM.

Farhan Sharaff, Assistant Chief Investment Officer of GPIM. Mr. Sharaff joined GPIM in 2009 and is the Assistant Chief Investment Officer, Equities. Mr. Sharaff has more than 20 years of experience in investment research and investment management. Prior to joining GPIM, he was a Partner and Chief Investment Officer at MJX Capital Advisors, a wealth management firm focused on providing advice and investment management for its clients, especially in the traditional and alternative asset classes, and Guggenheim Investments plc. Prior to that, Mr. Sharaff served as the global Chief Investment Officer at CIGNA Corporation, Zurich Scudder Investments and Citigroup. In all of the above engagements, Mr. Sharaff was responsible for research, investment management, product development and investment risk management. He was also a member of the business management teams at Citigroup and Zurich Scudder. Mr. Sharaff has a Bachelor of Science in Electrical Engineering from the University of Aston (U.K.) and an MBA in Finance from the Manchester Business School (U.K.). In addition, Mr. Sharaff sits on boards for CITIC Capital Asset Management, Clarfeld Financial Advisers, Transparent Value Trust and Guggenheim Global Capital plc.

Jayson Flowers, Senior Managing Director and Portfolio Manager of GPIM. Mr. Flowers joined GPIM in 2001, and serves as Senior Managing Director, heading Equity and Derivative Strategies where he manages the portfolios, risk, and trading across the equity, derivatives, managed futures, and commodity strategies. Mr. Flowers has close to 20 years' experience in the financial markets with a focused concentration in portfolio management, risk management and trading execution across various sectors of the capital structure. His investment experience ranges in expertise from managed portfolios and risk on structured product investments, global equity arbitrage, alternatives, and asset-backed strategies, to trading U.S. government securities, foreign sovereign debt, commodities, managed futures, currencies and derivatives. Prior to working for GPIM, Mr. Flowers was a

founding partner of Adventure Capital, a boutique venture capital and merchant banking company. Previously Mr. Flowers was at Credit Suisse First Boston, Dominick & Dominick Inc., and Coopers & Lybrand. Mr. Flowers holds a BA in Economics from Union College.

Scott Hammond, Managing Director and Senior Portfolio Manager of GPIM. Mr. Hammond joined GPIM in June 2009, where he has responsibility for a variety of strategic initiates aimed at growing the firm's equities business, and for the day-to-day oversight of a number of growth, value, and core equity strategies. Mr. Hammond's extensive experience in managing quantitative strategies spans over ten years and has included some of the world's largest asset management firms. Prior to joining GPIM, Mr. Hammond was Head of Exchange Trade Fund Portfolio Management at Northern Trust where he was responsible for a diverse portfolio of international funds. Mr. Hammond served as Portfolio Manager at Barclays Global Investors with responsibilities for the management of $90 billion in institutional assets. Mr. Hammond received a B.A. in Economics from the University of New Hampshire and an MBA from Purdue University's Krannert Graduate School of Management.

Qi Yan, Managing Director and Portfolio Manager of GPIM. Mr. Yan joined GPIM in 2005, and serves as Managing Director and Portfolio Manager in equity and equity derivative strategies. In addition to his portfolio management responsibilities, Mr. Yan works closely with institutional clients in developing and implementing customized risk management solutions. Mr. Yan earned his M.S. in Statistics from Yale University, and his B.S. in Mathematics from Cambridge University.

Daniel Cheeseman, Portfolio Manager of GPIM. Mr. Cheeseman joined GPIM in 2011 as a Senior Research Analyst covering Equity Derivatives and Liquid Alternatives. Through the lens of derivatives, he researches and implements the firm's macroeconomic views in the derivative markets; designing new systematic, absolute return strategies; and covering cross asset derivative trends. For six years prior to joining Guggenheim Partners, he was a research analyst covering equity and volatility derivatives at Merrill Lynch and Morgan Stanley. Mr. Cheeseman holds an MS in Mathematical Finance from the Courant Institute at NYU and BAs in Mathematics and Economics from the University of California, San Diego.

Scott Barker, CFA, Director and Portfolio Manager of GPIM. Mr. Barker joined Guggenheim in 2012 as Portfolio Manager covering equity and equity derivatives strategies. Mr. Barker's current responsibilities include daily portfolio management, trading and research duties as well as portfolio and risk management system development. Prior to joining Guggenheim he was with Analytic Investors, LLC, where he managed all equity option, fixed income and insurance hedging products. Mr. Barker also served as Research Analyst at AG Risk Management where he performed investment management consulting services to institutional investment boards. He holds an M.S. degree in Applied Mathematics from

California State University, Long Beach and a B.A. degree in Physics from Pomona College. He has earned the right to use the Chartered Financial Analyst® designation and is a member of the CFA Institute.

The Statement of Additional Information provides additional information about the portfolio managers' compensation of, other accounts managed and ownership of securities in each Fund by each portfolio manager of the Combined Fund.

Other Service Providers. Certain other service providers for the Funds are as follows:

	Service Provider to the Funds
Custodian	The Bank of New York Mellon
Transfer Agent and Registrar	Computershare Shareowner Services LLC
Dividend Disbursing Agent	Computershare Trust Company, N.A.
Administrations	MUFG Investor Services (US) LLC*
Fund Accounting Agent	MUFG Investor Services (US) LLC*
Independent Registered Public Accounting Firm	Ernst & Young LLP
Fund Counsel	Skadden, Arps, Slate, Meagher & Flom LLP
Counsel to the Independent Trustees	Vedder Price, P.C.

* Formerly Rydex Fund Services, LLC. On October 4, 2016, Guggenheim completed a sale of Rydex Fund Services, LLC to MUFG Investor Services, the global asset servicing group of Mitsubishi UFJ Financial Group and Rydex Fund Services, LLC was renamed MUFG Investor Services (US) LLC.

All securities owned by the Funds and all cash, including proceeds from the sale of securities in each Fund's investment portfolio, are held by The Bank of New York Mellon, 101 Barclay Street, New York, New York 10286, as custodian. Computershare Shareowner Services LLC, 480 Washington Boulevard, Jersey City, New Jersey 07310, serves as transfer agent and registrar and Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842, serves as dividend disbursing agent and agent under the Fund's Dividend Reinvestment Plan, for the common shares of the Fund.

It is not anticipated that the Merger will result in any change in the organizations providing services to the Acquiring Fund as set forth above. As a result of the Mergers, the service providers to the Acquiring are anticipated to be the service providers to the Combined Fund.

Capitalization

The tables below set forth (i) the capitalization of the Funds as of June 30, 2016 and (ii) the pro forma capitalization of the Combined Fund as if (a) the proposed Mergers of all of the Funds had occurred on June 30, 2016, which represents the most likely combination of the Mergers, (b) the proposed Merger of only GGE into GPM had occurred on June 30, 2016 and (c) the proposed Mergers of GEQ into GPM had occurred on June 30, 2016.

Capitalization as of 2016 (Unaudited)

	GGE	GEQ	GPM	**Adjustments**	Pro forma Combined Fund (Both Target Funds into GPM)
Net assets	$86,642,578	$161,241,302	$156,239,304	$ (928,000)[b]	$403,195,184
Common shares outstanding[a]	4,993,991	8,774,050	19,077,318	16,454,417[c]	49,299,776
NAV per share	$17.35	$18.38	$8.19		$8.18

(a) Based on the number of outstanding common shares listed in “Common shares outstanding” table.

(b) Reflects non-recurring aggregate estimated merger expenses of $338,592 borne by GGE, $325,577 borne by GEQ and $223,831 borne by GPM, as well as $40,000 of costs associated with the Redomestication borne by GPM. The actual costs associated with the proposed Mergers may be more or less than the estimated costs discussed herein.

(c) Reflects adjustments due to differences in per share NAV.

Merger of only GGE into GPM

	GGE	GPM	**Adjustments**	Pro forma Combined Fund (GGE into GPM)
Net assets	$86,642,578	$156,239,304	$ (602,423)[b]	$242,279,459
Common shares outstanding[a]	4,993,991	19,077,318	5,556,619[c]	29,627,928
NAV per share	$17.35	$8.19		$8.18

(a) Based on the number of outstanding common shares listed in “Common shares outstanding” table.

(b) Reflects non-recurring aggregate estimated merger expenses of $338,592 borne by GGE and $223,831 borne by GPM, as well as $40,000 of costs associated with the Redomestication borne by GPM. The actual costs associated with the proposed Mergers may be more or less than the estimated costs discussed herein.

(c) Reflects adjustments due to differences in per share NAV.

Merger of only GEQ into GPM

	GEQ	GPM	**Adjustments**	Pro forma Combined Fund (GEQ into GPM)
Net assets	$161,241,302	$156,239,304	$ (589,408)(b)	$316,891,198
Common shares outstanding[a]	8,774,050	19,077,318	10,897,799(c)	38,749,167
NAV per share	$18.38	$8.19		$8.18

(a) Based on the number of outstanding common shares listed in “Common shares outstanding” table.

(b) Reflects non-recurring aggregate estimated merger expenses of $325,577 borne by GEQ and $223,831 borne by GPM, as well as $40,000 of costs associated with the Redomestication borne by GPM. The actual costs associated with the proposed Mergers may be more or less than the estimated costs discussed herein.

(c) Reflects adjustments due to differences in per share NAV.

Portfolio Turnover

Each Fund buys and sells securities to seek to accomplish its investment objective. Portfolio turnover generally involves some expense to the Fund, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestment in other securities. The portfolio turnover rate is computed by dividing the lesser of the amount of the securities purchased or securities sold by the average monthly value of securities owned during the year (excluding securities whose maturities at acquisition were one year or less). Higher portfolio turnover may decrease the after-tax return to individual investors in the Funds to the extent it results in a decrease of the long-term capital gains portion of distributions to shareholders.

Historical Portfolio Turnover Rates.

Fiscal Year Ended:	GGE	GEQ	GPM
2015	381%	46%	358%
2014	556%	59%	664%

GGE and GPM have historically had greater portfolio turnover than GEQ. GEQ’s equity portfolio trades primarily to rebalance the portfolio in accordance with the Index on a quarterly basis, whereas GPM and GGE may trade their equity portfolio more frequently in order to realize gains. In addition, GEQ’s options positions are rolled on a monthly basis, whereas GPM’s and GGE’s options positions are rolled on a weekly basis, resulting in higher portfolio turnover rates.

If the Mergers had taken place on June 30, 2016, the Combined Fund would dispose of certain ETF holdings of GPM and GGE. With the proceeds of such dispositions and with additional borrowings, the Combined Fund would purchase certain other ETF holdings and additional common stocks included in the Index in equal weight. It is currently anticipated that transaction costs associated with such portfolio repositioning transactions will be approximately 0.03% of the Managed Assets of the Combined Fund. Such estimate is subject to change based upon market conditions and other factors.

Additional Information About the Common Shares of the Fund

Shareholders of each Fund are entitled to share equally in dividends declared by such Fund's Board as payable to holders of the Fund's common shares and in the net assets of the Fund available for distribution to holders of the common shares. Shareholders do not have preemptive or conversion rights and each Fund's common shares are not redeemable. The outstanding common shares of each Fund are fully paid and nonassessable, except as provided under such Fund's declaration of trust.

Purchase and sale procedures for the common shares of each of the Funds are identical. Investors typically purchase and sell common shares of the Funds through a registered broker-dealer on the NYSE, thereby incurring a brokerage commission set by the broker-dealer. Alternatively, investors may purchase or sell common shares of each of the Funds through privately negotiated transactions with existing shareholders.

Outstanding Common Shares as of June 30, 2016

Fund	Title of Class	Amount Authorized	Amount Held by Fund for its Own Account	Amount Outstanding Exclusive of Amount Shown in Previous Column
GGE	Common Stock	Unlimited	None	4,993,991
GEQ	Common Stock	Unlimited	None	8,774,050
GPM	Common Stock	Unlimited[(a)]	None	19,077,318

(a) GPM will continue to have an unlimited amount of authorized shares after the Redomestication.

Share Price Data. The following table sets forth, for the periods indicated the high and low premium and/or discount to NAV for a share of common shares of each Fund for the previous three years. For the periods shown, the market price of the common shares of each Fund has fluctuated between a maximum discount and a maximum premium. Although there is no reason to believe that this pattern should be affected by the Mergers, it is not possible to predict whether common shares of the Combined Fund will trade at a premium or discount to NAV following the Mergers, or what the magnitude of any such premium or discount might be.

As of December 28, 2016, the NAV per common share of GGE was $17.83 and the market price per common share was $16.12, representing a discount to NAV of 9.59%, the NAV per common share of GEQ was $18.24 and the market price per common share was $16.38, representing a discount to NAV of 10.20% and the NAV per common share of GPM was $8.39 and the market price per common share was $7.89, representing a discount to NAV of 5.95%.

GGE

	Market Price Per Share		NAV Per Share on Date of Market Price High and Low		Premium/(Discount) on Date of Market Price High and Low	
Period Ended	High	Low	High	Low	High	Low
September 30, 2016	$16.41	$15.35	$18.08	$17.29	(9.23)%	(11.22)%
June 30, 2016	$15.71	$14.75	$17.70	$16.33	(11.24)%	(9.68)%
March 31, 2016	$15.37	$13.21	$17.42	$15.24	(11.77)%	(13.32)%
December 31, 2015	$16.53	$15.04	$18.63	$17.06	(11.27)%	(11.84%
September 30, 2015	$17.37	$14.69	$19.40	$16.11	(10.46)%	(8.81)%
June 30, 2015	$18.05	$16.85	$19.69	$18.76	(8.33)%	(10.18)%
March 31, 2015	$17.74	$17.09	$19.73	$18.65	(10.07)%	(8.36)%
December 31, 2014	$19.51	$16.88	$19.69	$18.38	(0.91)%	(8.16)%
September 30, 2014	$19.95	$18.90	$20.23	$19.62	(1.39)%	(3.67)%
June 30, 2014	$19.65	$17.99	$19.94	$19.42	(1.47)%	(7.36)%
March 31, 2014	$19.03	$17.74	$20.11	$18.79	(5.37)%	(5.59)%

GEQ

	Market Price Per Share		NAV Per Share on Date of Market Price High and Low		Premium/(Discount) on Date of Market Price High and Low	
Period Ended	High	Low	High	Low	High	Low
September 30, 2016	$16.88	$16.20	$18.34	$18.00	(7.96)%	(10.00)%
June 30, 2016	$16.84	$15.74	$18.50	$18.18	(9.84)%	(9.30)%
March 31, 2016	$16.26	$13.96	$17.82	$16.95	(11.17)%	(13.39)%
December 31, 2015	$17.33	$13.75	$18.84	$16.16	(9.93)%	(9.22)%
September 30, 2015	$18.19	$16.15	$19.82	$18.41	(8.38)%	(8.75)%
June 30, 2015	$20.48	$17.99	$20.40	$19.48	(5.83)%	(7.34)%
March 31, 2015	$20.38	$19.06	$20.45	$20.65	(2.46)%	(3.97)%
December 31, 2014	$20.49	$18.87	$19.84	$20.53	(1.31)%	(5.89)%
September 30, 2014	$20.17	$17.39	$21.57	$21.69	(7.14)%	(8.17)%
June 30, 2014	$20.18	$18.08	$21.28	$21.20	(5.17)%	(11.42)%
March 31, 2014	$19.11	$17.58	$21.16	$19.73	(9.69)%	(10.90)%

GPM

		NAV Per Share on Date	Premium/(Discount) on

	Market Price Per Share		of Market Price High and Low		Date of Market Price High and Low	
Period Ended	High	Low	High	Low	High	Low
September 30, 2016	$8.30	$7.49	$8.36	$8.16	(0.72)%	(8.21)%
June 30, 2016	$7.81	$7.18	$8.49	$7.71	(8.01)%	(11.79)%
March 31, 2016	$7.35	$6.36	$8.23	$7.42	(10.69)%	(15.09)%
December 31, 2015	$7.91	$7.22	$8.83	$8.06	(10.42)%	(12.27)%
September 30, 2015	$8.56	$7.01	$9.19	$7.83	(4.99)%	(10.70)%
June 30, 2015	$8.83	$8.28	$9.38	$8.85	(5.66)%	(6.76)%
March 31, 2015	$8.72	$8.22	$9.40	$8.81	(6.84)%	(6.70)%
December 31, 2014	$9.10	$8.05	$9.39	$8.58	(2.36)%	(7.36)%
September 30, 2014	$9.60	$8.98	$9.79	$9.24	(1.74)%	(3.44)%
June 30, 2014	$9.64	$8.81	$9.71	$9.10	(0.31)%	(5.57)%
March 31, 2014	$9.18	$8.28	$9.77	$8.90	(5.94)%	(6.97)%

Distributions

Each Fund pays quarter distributions. GEQ, however, acting pursuant to a SEC exemptive order and with the approval of the Board of GEQ, adopted a managed distribution policy (the “Managed Distribution Policy”) effective with its

January 31, 2014 distribution. Pursuant to the Managed Distribution Policy, GEQ distributes a fixed amount per share on a quarterly basis to holders of GEQ's common shares.

Under the Managed Distribution Policy, GEQ distributes all available investment income to its shareholders, consistent with its primary investment objectives and as required by the Code. If sufficient investment income is not available on a quarterly basis, GEQ distributes capital gains and/or return of capital to shareholders in order to maintain a level distribution. Each quarterly distribution to shareholders is at the fixed amount established by the Board, except for extraordinary distributions and potential distribution rate increases or decreases to enable the Fund to comply with the distribution requirements imposed by the Code. Shareholders should not draw any conclusions about a fund's investment performance from the amount of such distributions or from the terms of the Managed Distribution Policy.

If the Mergers are approved and consummated, the Combined Fund will consider whether to adopt a Managed Distribution Policy. If a Managed Distribution Policy is adopted, the fixed amounts distributed per share would be subject to change at the discretion of the Combined Fund's Board and may or may not be consistent with the rate currently used by GEQ.

The tax treatment and characterization of the Combined Fund's distributions may vary significantly from time to time because of the varied nature of the Combined Fund's investments. The Combined Fund will indicate the proportion of its capital gains distributions that constitute long-term and short-term gains annually. The ultimate tax characterization of the Combined Fund's distributions made in a calendar or fiscal year cannot be determined until after the end of that fiscal year. As a result, there is a possibility that the Combined Fund may make total distributions during a calendar or fiscal year in an amount that exceeds the Combined Fund's earnings and profits (as determined for U.S. federal income tax purposes), if any, for the relevant fiscal year and its previously undistributed earnings and profits from prior years, if any. In such situations, the amount by which the Combined Fund's total distributions exceed its earnings and profits generally will be treated as a tax-free return of capital reducing the amount of a shareholder's tax basis in such shareholder's shares, with any amounts exceeding such basis treated as gain from the sale of shares.

Various factors will affect the level of the Combined Fund's net investment income, such as its asset mix, its level of retained earnings and the amount of leverage utilized by the Combined Fund and the effects thereof. These factors, among others, may result in the Combined Fund's level of net investment income being different from the level of net investment income for any of the Target Funds or GPM if the Mergers were not completed. To permit the Combined Fund to maintain more stable quarterly distributions and to the extent consistent with the distribution requirements imposed on regulated investment companies by the Code, the Combined Fund may from time to time distribute less than the entire

amount earned in a particular period. The income would be available to supplement future distributions. As a result, the distributions paid by the Combined Fund for any particular quarter may be more or less than the amount actually earned by the Combined Fund during that quarter. Undistributed earnings will increase the Combined Fund's NAV and, correspondingly, distributions from undistributed earnings and from capital, if any, will reduce the Combined Fund's NAV. Holders of the Combined Fund's common shares will automatically have all dividends and distributions reinvested in common shares issued by the Combined Fund or common shares of the Combined Fund purchased in the open market in accordance with the Combined Fund's Dividend Reinvestment Plan, unless an election is made to receive cash. For information concerning the manner in which dividends and distributions to holders of the Combined Fund's common shares may be reinvested automatically in the Combined Fund's common shares, see "Dividend Reinvestment Plan" as follows.

Dividend Reinvestment Plan

Under each Fund's Dividend Reinvestment Plan (the "Plan"), a common shareholder whose common shares are registered in his or her own name will have all distributions reinvested automatically by Computershare Trust Company, N.A., which is agent under the Plan (the "Plan Agent"), unless the common shareholder elects to receive cash. Distributions with respect to common shares registered in the name of a broker-dealer or other nominee (that is, in "street name") will be reinvested in additional common shares under the Plan, unless the broker or nominee does not participate in the Plan or the common shareholder elects to receive distributions in cash. Investors who own common shares registered in street name should consult their broker-dealers for details regarding reinvestment. All distributions to investors who do not participate in the Plan will be paid by check mailed directly to the record holder by Computershare Trust Company, N.A. as dividend disbursing agent. A participant in the Plan who wishes to opt out of the Plan and elect to receive distributions in cash should contact Computershare Trust Company, N.A. in writing at the address specified below or by calling the telephone number specified below.

Under the Plan, whenever the market price of the common shares is equal to or exceeds net asset value at the time common shares are valued for purposes of determining the number of common shares equivalent to the cash dividend or capital gains distribution, participants in the Plan are issued new common shares from the Fund, valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then-current market price of the common shares. The valuation date is the dividend or distribution payment date or, if that date is not a NYSE trading day, the next preceding trading day. If the net asset value of the common shares at the time of valuation exceeds the market price of the common shares, the Plan Agent will buy the common shares for the Plan in the open market, on the NYSE or elsewhere, for the participants' accounts, except that the Plan Agent will endeavor to terminate purchases in the open market and cause the Fund to issue common shares at the greater of net asset value or 95% of market value if,

following the commencement of such purchases, the market value of the common shares exceeds net asset value. If the Fund should declare a distribution or capital gains distribution payable only in cash, the Plan Agent will buy the common shares for the Plan in the open market, on the NYSE or elsewhere, for the participants' accounts. There is no charge from the Fund for reinvestment of dividends or distributions in common shares pursuant to the Plan; however, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open-market purchases.

The Plan Agent maintains all shareholder accounts in the Plan and furnishes written confirmations of all transactions in the account, including information needed by shareholders for personal and tax records. Common shares in the account of each Plan participant will be held by the Plan Agent in non-certificated form in the name of the participant.

In the case of shareholders such as banks, brokers or nominees, which hold common shares for others who are the beneficial owners, and participate in the Plan, the Plan Agent will administer the Plan on the basis of the number of common shares certified from time to time by the common shareholder as representing the total amount registered in the shareholder's name and held for the account of beneficial owners who participate in the Plan.

The automatic reinvestment of dividends and other distributions will not relieve participants of an income tax that may be payable or required to be withheld on such dividends or distributions.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund reserves the right to amend or terminate its Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of such Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by the Plan Agent on at least 90 days' prior written notice to the participants in such Plan. All correspondence concerning the Plan should be directed to the Plan Agent, Computershare, P.O. Box 30170, College Station, TX 77842, Attention: Shareholder Services Department. Participants may also contact Computershare Trust Company, N.A. online at www.computershare.com/investor or by telephone at 1-866-488-3559.

Certain Provisions of the Governing Documents

The Combined Fund will be governed by the governing documents of GPM Delaware. GPM is currently a Massachusetts business trust, but immediately prior to the consummation of the Mergers will redomesticate to a Delaware statutory trust. The governing documents of GPM Delaware are substantially identical to the governing documents of GGE and GEQ.

The Combined Fund's declaration of trust will include provisions that could have the effect of limiting the ability of other entities or persons to acquire control of the Combined Fund or to change the composition of its Board. This could

have the effect of depriving shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control over the Combined Fund. Such attempts could have the effect of increasing the expenses of the Combined Fund and disrupting the normal operation of the Combined Fund.

The Board of the Combined Fund will be divided into three classes, with the terms of one class expiring at each annual meeting of shareholders. At each annual meeting, one class of trustees is elected to a three-year term. This provision could delay for up to two years the replacement of a majority of the Board of the Combined Fund. Under the governing documents, a director may only be removed from office for cause, and not without cause, and only by action taken by a majority of the remaining Trustees followed by the holders of at least seventy-five percent (75%) of the outstanding shares then entitled to vote in an election of such Trustee.

The Combined Fund's declaration of trust will provide that the holders of a majority of the shares entitled to vote on any matter at a meeting present in person or by proxy shall constitute a quorum at such meeting of the shareholders for purposes of conducting business on such matter. The Combined Fund's declaration of trust will also require the favorable vote of $66^{2}/_{3}\%$ of the outstanding shares of capital stock of the Combined Fund to approve any merger or consolidation with any other corporation, association, trust or other organization or sale, lease or exchange all or substantially all of the Fund property, including its goodwill.

Reference should be made to the declaration of trust of each Fund on file with the SEC and, in the case of GPM Delaware, attached as Appendix C to the SAI, for the full text of these provisions.

Voting Rights

Voting rights are identical for the shareholders of each Fund. The shareholders of each Fund are entitled to one vote for each share held by them. The shareholders of each Fund do not have any preemptive or preferential right to purchase or subscribe to any shares of such Fund.

Each Fund's common shares do not have cumulative voting rights, which means that the holders of more than 50% of a Fund's common shares voting for the election of directors can elect all of the directors standing for election by such holders, and, in such event, the holders of the Fund's remaining common shares will not be able to elect any directors.

Appraisal Rights

Shareholders of each Fund do not have appraisal rights for their common shares in connection with the Mergers because Delaware statutory trust law and each Fund's governing documents do not provide for appraisal rights.

Shareholder Information

As of December 23, 2016, the officers and directors of each Fund, as a group, beneficially owned less than 1% of the outstanding common shares of each such Fund. Unless otherwise indicated, the information set forth below is as of December 23, 2016. To each Fund's knowledge, no person beneficially owned more than 5% of the Fund's respective outstanding common shares, except as set forth below.

Title of Share Class	Name and Address of Beneficial Owners	Amount and Nature of Beneficial Ownership	Percentage of Share Class
GEQ			
Common shares	First Trust Portfolios L.P.[(a)] First Trust Advisers L.P. The Charger Corporation 120 East Liberty Drive, Suite 400 Wheaton, Illinois 60187	1,460,640	16.65%
GPM			
Common shares	Advisers Asset Management, Inc.[(b)] 18925 Base Camp Road, Monument, Colorado 80132	2,150,680	11.273%

(a) Based on Schedule 13G/A filed with the SEC on January 13, 2016

(b) Based on Schedule 13G/A filed with the SEC on May 6, 2016

VOTING INFORMATION

General

A list of the Funds' shareholders of record as of the Record Date will be available at the shareholder meeting.

Record Date

The Funds have fixed the close of business on December 23, 2016 as the record date (the "Record Date") for the determination of shareholders entitled to notice of, and to vote at, the Special Meeting or any adjournment thereof. Shareholders on the Record Date will be entitled to one vote for each share held, with no shares having cumulative voting rights.

As of the Record Date, the Funds had the following number of common shares outstanding:

GGE	GEQ	GPM
4,993,991	8,774,050	19,077,318

Quorum

For GGE and GEQ, the holders of a majority of the shares entitled to vote on the proposal must be present in person or by proxy to have a quorum to conduct business at the Special Meeting. For GPM, thirty percent (30%) of the shares entitled to vote on the proposals must be present in person or by proxy to have a quorum to conduct business at the Special Meeting. The inspectors of election, who

may be employees of Guggenheim, will determine whether or not a quorum is present at the Special Meeting. The inspectors of election will generally treat abstentions and "broker non-votes" (i.e., shares held by brokers or nominees, typically in "street name," as to which proxies have been returned but (a) instructions have not been received from the beneficial owners or persons entitled to vote and (b) the broker or nominee does not have discretionary voting power or elects not to exercise discretion on a particular matter) as present for purposes of determining a quorum, subject to any applicable rules of the stock exchange on which a Fund's shares are listed.

Voting Requirements

Proposal 1. The shareholders of GPM are being asked to approve the Redomestication Plan. Shareholder approval for Proposal 1 requires the affirmative vote of a "majority of the outstanding voting securities" as defined under the 1940 Act (such a majority referred to herein as a "1940 Act Majority") of GPM. A 1940 Act Majority means the affirmative vote of either (i) $66^{2}/_{3}\%$ or more of the voting securities present at the Special Meeting, if the holders of more than 50% of the outstanding voting securities of the Fund are present or represented by proxy, or (ii) more than 50% of the outstanding voting securities of the Fund, whichever is less.

Proposal 2(A). The shareholders of GGE are being asked to approve the GGE Merger Agreement, including the termination of GGE's registration under the 1940 Act. Shareholder approval for Proposal 2(A) requires the affirmative vote by a 1940 Act Majority of GGE's shareholders.

Proposal 2(B). The shareholders of GEQ are being asked to approve the GEQ Merger Agreement, including the termination of GEQ's registration under the 1940 Act. Shareholder approval for Proposal 2(B) requires the affirmative vote by a 1940 Act Majority of GEQ's shareholders.

Proposal 2(C). The shareholders of GPM are being asked to approve the GGE Merger Agreement, including the issuance of additional common shares of GPM in connection therewith. Shareholder approval for Proposal 2(C) requires the affirmative vote by a 1940 Act Majority of GPM's shareholders.

Proposal 2(D). The shareholders of GPM are being asked to approve the GEQ Merger Agreement, including the issuance of additional common shares of GPM in connection therewith. Shareholder approval for Proposal 2(D) requires the affirmative vote by a 1940 Act Majority of GPM's shareholders.

GPM's common shares are listed on the NYSE and the new shares to be issued in connection with the Mergers will be listed on the NYSE. Approval of each Merger Agreement by shareholders of GPM will constitute approval of the common shares to be issued pursuant to such Merger Agreement in accordance with Section 312 of the NYSE Listed Company Manual, which requires a listed company to obtain shareholder approval prior to the issuance of common shares if any transaction or series of transactions would result in an increase by 20% or more in the amount of shares outstanding.

Proxies

Whether or not you plan to attend the Special Meeting, we urge you to complete, sign, date, and return the enclosed proxy card in the postage-paid envelope provided or vote via telephone or the Internet so your common shares will be represented at the Special Meeting. Instructions regarding how to vote via telephone or the Internet are included on the enclosed proxy card. The required control number for Internet and telephone voting is printed on the enclosed proxy card. The control number is used to match proxy cards with shareholders' respective accounts and to ensure that, if multiple proxy cards are executed, common shares are voted in accordance with the proxy card bearing the latest date.

All common shares represented by properly executed proxies received prior to the Special Meeting will be voted at the Special Meeting in accordance with the instructions marked thereon or otherwise as provided therein. If you sign the proxy card, but don't fill in a vote, your common shares will be voted in accordance with the Board's recommendation. If any other business is brought before the Special Meeting, your common shares will be voted at the proxies' discretion.

Shareholders who execute proxy cards or record voting instructions via telephone or the Internet may revoke them at any time before they are voted by filing with the Secretary of the Funds a written notice of revocation, by delivering (including via telephone or the Internet) a duly executed proxy bearing a later date or by attending the Special Meeting and voting in person. Merely attending the Special Meeting, however, will not revoke any previously submitted proxy.

If you wish to attend the Special Meeting and vote in person, you will be able to do so. If you intend to attend the Special Meeting in person and you are a record holder of a Fund's common shares, in order to gain admission you must show photographic identification, such as your driver's license. If you intend to attend the Special Meeting in person and you hold your common shares through a bank, broker or other custodian, in order to gain admission you must show photographic identification, such as your driver's license, and satisfactory proof of ownership of common shares of a Fund, such as your voting instruction form (or a copy thereof) or broker's statement indicating ownership as of a recent date. If you hold your common shares in a brokerage account or through a bank or other nominee, you will not be able to vote in person at the annual meeting unless you have previously requested and obtained a "legal proxy" from your broker, bank or other nominee and present it at the Special Meeting. You may contact the Funds' proxy solicitor at 888-567-1626 to obtain directions to the site of the Annual Meeting.

Broker-dealer firms holding common shares of a Fund in "street name" for the benefit of their customers and clients will request the instructions of such customers and clients on how to vote their shares on the Proposal before the Special Meeting. The Funds understand that, under the rules of the NYSE, the Proposals are not "routine" matters and shareholder instructions are required for broker-dealers to vote a beneficial owner's shares. Broker-dealers who are not members of the NYSE

may be subject to other rules, which may or may not permit them to vote your Shares without instruction. We urge you to provide instructions to your bank, broker or other nominee so that your votes may be counted.

Votes cast by proxy or in person at the Special Meeting will be tabulated by the inspector(s) of election appointed for the Special Meeting.

Abstentions and broker non-votes are not treated as votes "FOR" a proposal. Abstentions and broker non-votes will have the same effect as votes "AGAINST" each proposal.

OTHER MATTERS

Shareholder Proposals

To be considered for presentation at a shareholder's meeting, rules promulgated by the SEC generally require that, among other things, a shareholder's proposal must be received at the offices of the relevant Fund a reasonable time before solicitation is made. In addition, each Fund's bylaws provide for advance notice provisions, which require shareholders to give timely notice in proper written form to the Secretary of the Fund. Shareholders should review each Fund's bylaws for additional information regarding the Funds' advance notice provisions. The bylaws of GGE, GEQ and GPM were filed with the SEC on March 1, 2016 as part of such Funds' Form 8-Ks, and shareholders may obtain copies of such documents as described on page ii of this Joint Proxy Statement/Prospectus.

The timely submission of a proposal does not necessarily mean that such proposal will be included. Any shareholder who wishes to submit a proposal for consideration at a meeting of such shareholder's Fund should send such proposal to the relevant Fund at 227 West Monroe Street, Chicago, IL 60606, Attention: Mark E. Mathiasen.

Shareholder proposals intended for inclusion in a Fund's proxy statement in connection with the 2017 annual meeting of shareholders pursuant to Rule 14a-8 under the Exchange Act must have been received by the Fund at the Fund's principal executive offices by November 5, 2016 in order to be considered for inclusion in the Fund's proxy statement. Timely submission of a proposal does not necessarily mean that such proposal will be included in the Fund's proxy statement.

A proposal, other than a proposal submitted pursuant to Rule 14a-8, must be received by the Fund's Secretary at the Fund's principal executive offices not earlier than December 7, 2016 and not later than January 6, 2017 (which is also the date after which shareholder nominations and proposals made outside of Rule 14a-8 under the Exchange Act would not be considered "timely" within the meaning of Rule 14a-4(c) under the Exchange Act). If a proposal is not "timely" within the meaning of Rule 14a-4(c), then the persons named as proxies in the proxies solicited by the Board for the 2017 annual meeting of shareholders may exercise discretionary voting power with respect to any such proposal.

Solicitation of Proxies

Solicitation of proxies is being made primarily by the mailing of this Notice and Joint Proxy Statement/Prospectus with its enclosures on or about December 29, 2016. Shareholders of the Funds whose shares are held by nominees such as brokers can vote their proxies by contacting their respective nominee. In addition to the solicitation of proxies by mail, employees of the Adviser and their affiliates as well as dealers or their representatives may solicit proxies in person or by mail, telephone, fax or the internet. The Funds and the Adviser have retained AST Shareholder Services ("AST"), 448 Wall Street, 22nd Floor, New York, New York 10005, a proxy solicitation firm, to assist with the solicitation of proxies. The cost of AST's services in connection with the proxy is anticipated to be approximately $35,000, $26,000 and $39,000 for GGE, GEQ and GPM, respectively.

Legal Matters

Certain legal matters concerning the U.S. federal income tax consequences of the Merger, the Redomestication and the issuance of Acquiring Fund Shares will be passed upon by Skadden, Arps, Slate, Meagher & Flom LLP, which serves as special counsel to the Funds.

Other Matters with Respect to the Special Meeting

A representative of the Independent Registered Public Accounting Firm may attend the Special Meeting and will have the opportunity to make a statement if he or she desires to do so and will be available to answer appropriate questions.

A list of shareholders entitled to attend and to vote at the meeting will be available in the offices of the Funds, 227 West Monroe Street, Chicago, IL 60606, for inspection by any shareholder during regular business hours beginning ten days prior to the date of the meeting.

Shareholders and other interested parties may contact the Board or any Trustee by mail. To communicate with the Board or any Trustee, correspondence should be addressed to the Board or the Board members with whom you wish to communicate by either name or title. All such correspondence should be sent c/o the Secretary of the Fund or Funds at 227 West Monroe Street, 7th Floor, Chicago, Illinois 60606.

Privacy Principles of the Funds

The Funds are committed to maintaining the privacy of their current and former shareholders and to safeguarding their nonpublic personal information. The following information is provided to help you understand what personal information the Funds collect, how the Funds protect that information and why, in certain cases, the Funds may share such information with select parties.

Generally, the Funds do not receive any non-public personal information relating to its shareholders, although certain non-public personal information of its shareholders may become available to the Funds. The Funds do not disclose any

non-public personal information about its shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third party administrator).

The Funds restrict access to non-public personal information about its shareholders to employees of the Adviser and its delegates and affiliates with a legitimate business need for the information. The Fund maintains physical, electronic and procedural safeguards designed to protect the non-public personal information of its shareholders.

Other Information

The management of the Funds knows of no other matters which are to be brought before the Special Meeting. However, if any other matters not now known properly come before the Special Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy in accordance with their judgment on such matters.

Failure of a quorum to be present at the Special Meeting may result in an adjournment. The persons named in the enclosed proxy card may also move for an adjournment of any meeting to permit further solicitation of proxies with respect to a Proposal if they determine that adjournment and further solicitation are reasonable and in the best interests of shareholders. Any such adjournment will require the affirmative vote of a majority of the shares of the Fund present in person or by proxy and entitled to vote at the time of the meeting to be adjourned. The chairman of the Special Meeting may also adjourn the Special Meeting. Any adjourned meeting or meetings may be held without the necessity of another notice. The persons named in the enclosed proxy card will vote in favor of any such adjournment if they believe the adjournment and additional proxy solicitation are reasonable and in the best interests of each Fund's shareholders. For purposes of determining the presence of a quorum, abstentions and broker non-votes will be treated as shares that are present at the meeting.

The Funds will update certain data regarding the Funds, including performance data, on a monthly basis on its website at www.guggenheiminvestments.com/products/cef. Shareholders are advised to periodically check the website for updated performance information and the release of other material information about the Funds.

Please vote promptly by signing and dating each enclosed proxy card and returning it in the accompanying postage-paid return envelope or by following the enclosed instructions to vote by telephone or over the Internet.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on February 13, 2017

This Proxy Statement is available on the Internet at www.proxyonline.com/docs/Guggenheim2017.pdf

EXHIBIT A

FINANCIAL HIGHLIGHTS
Guggenheim Enhanced Equity Strategy Fund (GGE)

The financial highlights table is intended to help you understand the Fund's financial performance. Except where noted, the information in this table for the fiscal years ended 2015, 2014, 2013, 2012 and 2011 is derived from the Fund's financial statements and has been audited by Ernst & Young LLP, independent registered public accounting firm for the Fund, whose report on such financial statements, together with the financial statements of the Fund, are included in the Fund's annual report to shareholders for the fiscal year ended October 31, 2015 and are incorporated by reference into the SAI.

This table is presented to show selected data for a share outstanding throughout each period and to assist shareholders in evaluating a Fund performance for the periods presented.

	Period Ended April 30, 2016 (Unaudited)	Year Ended October 31, 2015	Year Ended October 31, 2014	Year Ended October 31, 2013	Year Ended October 31, 2012	Year Ended October 31, 2011
Per Share Data:						
Net asset value, beginning of period	$ 18.38	$19.58	$19.58	$19.31	$18.09	$16.92
Income from investment operations:						
Net investment income (loss)[a]	0.08	0.12	(0.26)	(0.15)	(0.15)	0.23
Net gain (loss) on investments (realized and unrealized)	(0.07)	0.62	2.20	2.19	2.62	1.65
Total from investment operations	0.01	0.74	1.94	2.04	2.47	1.88
Less distributions from:						
Net investment income	(0.97)	(0.65)	(1.94)	(0.87)	(1.25)	(0.27)
Return of capital	—	(1.29)	—	(0.90)	—	(0.44)
Total distributions to shareholders	(0.97)	(1.94)	(1.94)	(1.77)	(1.25)	(0.71)
Net asset value, end of period	$ 17.42	$18.38	$19.58	$19.58	$19.31	$18.09
Market value, end of period	$ 15.52	$16.25	$18.70	$19.13	$17.96	$15.45
Total Return[b]						
Net asset value	0.24 %	3.94 %	10.10 %	11.26 %	13.99 %	11.34 %
Market value	1.70 %	-2.87 %	8.17 %	17.47 %	25.22 %	8.79 %
Ratios/Supplemental Data:						
Net assets, end of period (in thousands)	$ 86,997	$91,796	$97,783	$97,772	$96,454	$90,330
Ratio to average net assets of:						
Net investment income	0.93 %[f]	0.62 %	(1.29)%	(0.79)%	(0.77)%	1.30 %
Total expenses	2.13 %[f]	2.08 %	1.88 %	1.85 %	1.96 %	2.32 %
Net expenses[c][d]	2.06 %[f]	2.01 %	1.81 %	1.78 %	1.89 %	2.23 %
Portfolio turnover rate	7 %	381 %	566 %	651 %	645 %	267 %

	Period Ended April 30, 2016 (Unaudited)	Year Ended October 31, 2015	Year Ended October 31, 2014	Year Ended October 31, 2013	Year Ended October 31, 2012	Year Ended October 31, 2011
Total Borrowings outstanding (in thousands)	$ 43,000	$45,000	$43,500	$32,000	$40,000	$26,000
Asset Coverage per $1,000 of indebtedness[(e)]	$ 3,023	$3,040	$3,248	$4,055	$3,411	$4,474

(a) Based on average shares outstanding.

(b) Total investment return is calculated assuming a purchase of a common share at the beginning of the period and a sale on the last day of the period reported at net asset value ("NAV") or market price per share. Dividends and distributions are assumed to be reinvested at NAV for NAV returns or the prices obtained under the Fund's Dividend Reinvestment Plan for market value returns. Total investment return does not reflect brokerage commissions.

(c) Net expense information reflects the expense ratios after expense waivers.

(d) Excluding interest expense, the net operating expense ratios would be:

April 30, 2016	October 31, 2015	October 31, 2014	October 31, 2013	October 31, 2012	October 31, 2011
1.59%	1.58 %	1.49 %	1.46 %	1.55 %	1.90 %

(e) Calculated by subtracting the Fund's total liabilities (not including borrowings) from the Fund's total assets and dividing by the total borrowings.

(f) Annualized.

Per share operating performance for a common share outstanding throughout the period *	For the Year Ended October 31, 2010	For the Year Ended October 31, 2009	For the Year Ended October 31, 2008	For the Year Ended October 31, 2007	For the Year Ended October 31, 2006
Net asset value, beginning of period	$14.86	$19.65	$113.95	$119.55	$103.10
Income from investment operations					
Net investment income[a]	0.49	0.90	6.75	7.70	7.09
Net realized and unrealized gain (loss) on investments, futures, options and swap transactions	2.15	(4.83)	(92.50)	(4.30)	18.08
Distributions to Preferred Shareholders					
From net investment income and return of capital (common share equivalent basis)	(0.02)	(0.21)	(2.05)	(2.50)	(2.22)
Total from investment operations	2.62	(4.14)	(87.80)	0.90	4.59
Distributions to Common Shareholders					
From and in excess of net investment income	(0.56)	(0.65)	(4.73)(e)	(6.50)	(6.50)
Return of capital	–	–	(1.77)(e)	–	–
Total distributions to Common Shareholders	(0.56)	(0.65)	(6.50)	(6.50)	(6.50)
Net asset value, end of period	$16.92	$14.86	$19.65	$113.95	$119.55
Market value, end of period	$14.86	$14.25	$14.90	$98.10	$108.05
Total investment return[b]					
Net asset value	18.01%	(19.99)%	(81.30)%	0.67%	23.05%
Market value	8.45%	3.50%	(83.31)%	(3.53)%	26.97%
Ratios and supplemental data					
Net assets, applicable to common shareholders, end of period (thousands)	$84,493	$134,883	$178,223	$1,034,697	$1,085,306
Preferred Shares, at liquidation value ($25,000 per share liquidation preference) (thousands)	$0	$30,000	$125,000	$425,000	$425,000
Preferred Shares asset coverage per share	$0	$137,402	$60,645	$85,859	$88,842
Ratios to Average Net Assets applicable to Common Shares:					
Net operating expense	2.18%	2.66%	1.76%	1.42%	1.47%
Interest expense	0.50%	0.11%	0.00%	0.00%	0.00%
Total net expense	2.68%	2.77%	1.76%	1.42%	1.47%
Fee waiver	0.11%	0.09%	0.00%	0.00%	0.00%

Per share operating performance for a common share outstanding throughout the period *	For the Year Ended October 31, 2010		For the Year Ended October 31, 2009		For the Year Ended October 31, 2008		For the Year Ended October 31, 2007		For the Year Ended October 31, 2006	
Total gross expense	2.79	%(c)	2.86	%(c)	1.76	%(c)	1.42	%(c)	1.47	%
Net investment income, after fee waiver and effect of dividends to preferred shares	3.04	%	5.38	%	6.36	%	4.36	%	4.40	%
Portfolio turnover	26	%	172	%(f)	68	%	57	%	25	%
Senior indebtedness										
Total borrowings outstanding (in thousands)	$33,000		$30,000		$ –		$ –		$ –	
Asset coverage per $1,000 of indebtedness(d)	$3,560		$6,496		$ –		$ –		$ –	

* Reflects 1 for 5 reverse stock split that occurred on June 5, 2009.

N/A Not applicable

(a) Based on average shares outstanding during the period.

(b) Total investment return is calculated assuming a purchase of a common share at the beginning of the period and a sale on the last day of the period reported either at net asset value ("NAV") or market price per share. Dividends and distributions are assumed to be reinvested at NAV for NAV returns or the prices obtained under the Fund's Dividend Reinvestment Plan for market value returns.Total investment return does not reflect brokerage commissions. A return calculated for a period of less than one year is not annualized.

(c) Expense ratio does not reflect fees and expenses incurred indirectly by the Fund as a result of its investments in shares of other investment companies. If these fees were included in the expense ratio, the net impact to the expense ratio would be approximately 0.00% for the year ended October 31, 2010 and the year ended October 31, 2009, and 0.02% for the years ended October 31, 2008, and October 31, 2007. The impact to the expense ratio as a result of investments in other investment companies was not required prior to 2007. As a result, the impact has not been disclosed for the years prior to 2007.

(d) Calculated by subtracting the Fund's total liabilities (not including borrowings) from the Fund's total assets and dividing by the total borrowings.

(e) Subsequent to October 31, 2008, a reclassification was required that resulted in a recharacterization of the distributions for the October 31, 2009, financial reporting period. This resulted in a $0.03 reclassification between distributions paid to common shareholders from and in excess of net investment income and distributions paid to common shareholders from return of capital.

(f) The increase in the portfolio turnover compared to prior years is the result of the change in the Fund's Sub-Adviser and the resulting reallocation of the portfolio holdings.

Guggenheim Equal Weight Enhanced Equity Income Fund (GEQ)

The financial highlights table is intended to help you understand the Fund's financial performance. Except where noted, the information in this table is derived from the Fund's financial statements and has been audited by Ernst & Young LLP, independent registered public accounting firm for the Fund, whose report on such financial statements, together with the financial statements of the Fund, are included in the Fund's annual report to shareholders for the fiscal year ended December 31, 2015, and are incorporated by reference into the SAI.

	For the Period Ended June 30, 2016 (unaudited)	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013	For the Period Ended December 31, 2012*	Period Ended June 30, 2012[a]
Per Share Data:						
Net asset value, beginning of period	$ 17.99	$ 20.85	$ 21.02	$ 19.07	$ 19.24	$ 19.10
Income from investment operations:						
Net investment income[b]	0.09	0.13	0.12	0.07	0.12	0.09
Net gain (loss) on investments (realized and unrealized)	0.74	(0.80)	1.46	3.63	0.59	0.97
Total from investment operations	0.83	(0.67)	1.58	3.70	0.71	1.06
Common shares' offering expenses charged to paid-in-capital	—	—	—	—	—	(0.04)
Less distributions from:						
Net investment income	(0.44)	(0.12)	—	(0.05)	(0.11)	(0.42)
Capital gains	—	(2.07)	(1.75)	(0.64)	—	—
Return of capital	—	—	—	(1.06)	(0.77)	(0.46)
Total distributions to shareholders	(0.44)	(2.19)	(1.75)	(1.75)	(0.88)	(0.88)
Net asset value, end of period	$ 18.38	$ 17.99	$ 20.85	$ 21.02	$ 19.07	$ 19.24
Market value, end of period	$ 16.50	$ 16.34	$ 20.42	$ 18.89	$ 17.73	$ 18.61
Total Return[c]						
Net asset value	4.65%	(3.48)%	7.87%	20.28%	3.69%	5.30%
Market value	3.73%	(9.79)%	18.40%	17.12%	(0.35)%	(2.57)%
Ratios/Supplemental Data:						
Net assets end of period (in thousands)	$ 161,241	$ 157,816	$ 182,851	$ 184,336	$ 167,217	$ 168,444
Ratios to average net assets of:						
Net investment income, including interest expense	1.02%	0.64%	0.59%	0.33%	1.25%[e]	0.71%
Total expenses, including interest expense[g]	1.98%	1.85%	1.71%	1.68%	1.78%[e]	1.80%
Portfolio Turnover[d]	25%	46%	59%	154%	54%	31%

	For the Period Ended June 30, 2016 (unaudited)	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013	For the Period Ended December 31, 2012*	Period Ended June 30, 2012[a]
Senior Indebtedness:						
Total Borrowings outstanding (in thousands)	$ 49,500	$ 49,500	$ 49,500	$ 23,000	$ 32,000	$34,000
Asset Coverage per $1,000 of indebtedness[f]	$ 4,257	$ 4,188	$ 4,694	$ 9,015	$ 6,226	$5,954

* Fiscal year end changed from June 30 to December 31. Since commencement of operations: October 27, 2011.

(a) Percentage amounts for the period, except total return and portfolio turnover rate, have been annualized.

(b) Based on average shares outstanding.

(c) Total investment return is calculated assuming a purchase of a share at the beginning of the period and a sale on the last day of the period reported either at net asset value (NAV) or market price per share. Dividends and distributions are assumed to be reinvested at NAV for NAV returns or the prices obtained under the Fund s Dividend Reinvestment Plan market value returns. Total investment return

does not reflect brokerage commissions. A return calculated for a period of less than one year is not annualized.

(d) Portfolio turnover is not annualized for periods of less than one year.

(e) Annualized.

(f) Calculated by subtracting the Fund s total liabilities (not including borrowings) from the Fund s total assets and dividing by the total borrowings.

(g) Excluding interest expense, the operating expense ratios would be:

June 30, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012*	June 30, 2012[(a)]
1.57%	1.56%	1.49%	1.51%	1.54%(e)	1.59%

Guggenheim Enhanced Equity Income Fund (GPM)

The financial highlights table is intended to help you understand the Fund's financial performance. Except where noted, the information in this table for the fiscal years ended 2015, 2014, 2013, 2012 and 2011 is derived from the Fund's financial statements and has been audited by Ernst & Young LLP, independent registered public accounting firm for the Fund, whose report on such financial statements, together with the financial statements of the Fund, are included in the Fund's annual report to shareholders for the fiscal year ended December 31, 2015, and are incorporated by reference into the SAI.

This table is presented to show selected data for a share outstanding throughout each period and to assist shareholders in evaluating a Fund's performance for the periods presented.

	Period Ended June 30, 2016 (Unaudited)	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
Per Share Data:						
Net asset value, beginning of period	$ 8.37	$9.19	$9.47	$8.93	$9.27	$9.64
Income from investment operations:						
Net investment income (loss)[a]	0.03	0.06	(0.06)	(0.05)	(0.11)	0.01
Net gain on investments (realized and unrealized)	0.27	0.08	0.74	1.55	0.73	0.58
Total from investment operations	0.30	0.14	0.68	1.50	0.62	0.59
Less distributions from:						
Net investment income	(0.48)	(0.53)	(0.96)	(0.69)	(0.96)	(0.96)
Return of capital	—	(0.43)	—	(0.27)	—	—
Total distributions to shareholders	(0.48)	(0.96)	(0.96)	(0.96)	(0.96)	(0.96)
Net asset value, end of period	$ 8.19	$8.37	$9.19	$9.47	$8.93	$9.27
Market value, end of period	$ 7.50	$7.68	$8.64	$8.85	$8.20	$8.16
Total Return[b]						
Net asset value	3.66%	1.71%	7.36%	17.60%	6.60%	6.78%
Market value	4.07%	0.28%	8.47%	20.27%	11.52%	(2.42)%
Ratios/Supplemental Data:						
Net assets, end of period (in thousands)	$ 156,239	$159,669	$175,241	$180,499	$170,253	$176,668
Ratio to average net assets of:						
Total expenses, including interest expense	2.07%[f]	2.03%	1.83%	1.74%	1.87%	1.79%
Net expenses, including interest expense[c][d]	1.93%[f]	1.88%	1.69%	1.61%	1.73%	1.66%
Net investment income, including interest expense	0.76%[f]	0.69%	(0.69)%	(0.52)%	(1.13)%	0.12%
Portfolio turnover rate	7%	358%	664%	610%	705%	405%

	Period Ended June 30, 2016 (Unaudited)	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
Senior Indebtedness						
Total Borrowings outstanding (in thousands)	$ 76,000	$ 80,000	$ 85,000	$ 62,500	$ 62,000	$ 42,000
Asset Coverage per $1,000 of indebtedness[e]	$ 3,056	$ 2,996	$ 3,062	$ 3,888	$ 3,746	$ 5,206

(a) Based on average shares outstanding.

(b) Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distribution at net asset value during the period, and redemption on the last day of the period. Transaction fees are not reflected in the calculation of total investment return.

(c) Excluding interest expense, the net operating expense ratios for the six months ended June 30, 2016 and the years ended December 31 would be:

June 30, 2016	2015	2014	2013	2012	2011
1.60%[f]	1.44%	1.35%	1.31%	1.38%	1.38%

(d) Net expense information reflects the expense ratios after expense waivers.

(e) Calculated by subtracting the Fund's total liabilities (not including borrowings) from the Fund's total assets and dividing by the total borrowings.

(f) Annualized.

Per share operating performance for a common share outstanding throughout the period	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
Net asset value, beginning of period	$9.40	$10.24	$17.79	$18.89	$18.80
Income from investment operations					
Net investment income (loss)[a]	(0.01)	0.04	0.05	(0.10)	0.07
Net realized and unrealized gain (loss) on investments, futures, options, securities sold short, forwards and foreign currency	1.21	0.24	(6.00)	0.60	1.62
Total from investment operations	1.20	0.28	(5.95)	0.50	1.69
Distributions to Common Shareholders					
From and in excess of net investment income	(0.50)	–	(0.14)	(1.60)	(1.60)
Return of capital	(0.46)	(1.12)	(1.46)	–	–
Total distributions to common shareholders	(0.96)	(1.12)	(1.60)	(1.60)	(1.60)
Net asset value, end of period	$9.64	$9.40	$10.24	$17.79	$18.89
Market value, end of period	$9.33	$8.52	$7.98	$15.33	$18.33
Total investment return[b]					
Net asset value	13.95%	3.51%	-35.09%	2.54%	9.36%
Market value	22.18%	22.85%	-39.88%	-8.45%	21.70%
Ratios and supplemental data					
Net assets, end of period (thousands)	$183,257	$178,680	$194,666	$338,072	$359,036
Ratios to Average Net assets applicable to Common Shares:					
Net operating expense ratio, including fee waivers	1.57%	1.77%	1.41%	1.50%	1.52%
Interest expense	0.16%	N/A	N/A	N/A	N/A
Dividends paid on securities sold short	0.07%	0.65%	0.85%	1.31%	0.48%
Total net expense ratio	1.80%[c]	2.42%	2.26%	2.81%	2.00%
Gross operating expense ratio, excluding fee waivers	1.64%	1.77%	1.41%	1.50%	1.52%
Interest expense	0.16%	N/A	N/A	N/A	N/A
Dividends paid on securities sold short	0.07%	0.65%	0.85%	1.31%	0.48%
Total gross expense ratio	1.87%[c]	2.42%	2.26%	2.81%	2.00%
Net investment income (loss) ratio, including interest expense	-0.15%	0.38%	0.36%	-0.55%	0.39%
Net investment income (loss) ratio, excluding fee waivers and including interest expense	-0.22%	0.38%	0.36%	-0.55%	0.39%
Portfolio turnover	497%[d]	256%	223%	323%	248%
Senior Indebtedness					

Per share operating performance for a common share outstanding throughout the period	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
Total borrowings outstanding (in thousands)	$ 50,500	N/A	N/A	N/A	N/A
Asset Coverage per $1,000 of indebtedness[(e)]	$ 4,629	N/A	N/A	N/A	N/A

N/A Not applicable

(a) Based on average shares outstanding during the period.

(b) Total investment return is calculated assuming a purchase of a common share at the beginning of the period and a sale on the last day of the period reported either at net asset value ("NAV") or market price per share. Dividends and distributions are assumed to be reinvested at NAV for NAV returns or the prices obtained under the Fund's Dividend Reinvestment Plan for market value returns. Total investment return does not reflect brokerage commissions.

(c) The ratios of total expenses to average net assets applicable to common shares do not reflect fees and expenses incurred indirectly by the Fund as a result of its investment in shares of other investment companies. If these fees were included in the expense ratios, the expense ratios would increase by 0.28% for the year ended December 31, 2010.

(d) The increase in the portfolio turnover compared to prior years is the result of the change in the Fund's Sub-Adviser and the resulting reallocation of the portfolio holdings.

(e) Calculated by subtracting the Fund's total liabilities (not including the borrowings) from the Fund's total assets and dividing by the total borrowings.

EXHIBIT B
AGREEMENT AND PLAN OF REDOMESTICATION
October 5, 2016

In order to consummate the reorganization contemplated herein (the "Redomestication") and in consideration of the promises and the covenants and agreements hereinafter set forth, and intending to be legally bound, Guggenheim Enhanced Equity Income Fund, a Massachusetts business trusts a registered diversified closed-end investment company, File No. 811-21681, (the "Predecessor Fund"), and Guggenheim Enhanced Equity Income Fund, a Delaware statutory trust (the "Successor Fund" and together with the Predecessor Fund, the "Funds") each hereby agree as follows.

1. REPRESENTATIONS AND WARRANTIES OF THE SUCCESSOR FUND.

The Successor Fund represents and warrants to, and agrees with, the Predecessor Fund that:

(a) The Successor Fund is a newly created statutory trust duly formed, validly existing and in good standing in conformity with the Delaware Statutory Trust Act (the "DSTA"), and has the power to own all of its assets and to carry out this Agreement. The Successor Fund has all necessary federal, state and local authorizations to carry on its business as it is now being conducted and to carry out this Agreement.

(b) The Successor Fund is without assets (other than seed capital) or liabilities, formed for the purpose of receiving the assets of the Predecessor Fund in connection with the Redomestication. Prior to the Closing Date, the Successor Fund shall not have commenced operations and there will be no issued and outstanding shares in the Successor Fund, except shares issued by the Successor Fund to an initial sole shareholder for the purpose of enabling the sole shareholder to take such action as are required to be taken by shareholders under the 1940 Act in connection with establishing a new fund.

(c) At the Closing Date, the Successor Fund shall succeed the Predecessor Fund's registration statement filed under the 1940 Act with the SEC and thus will become a diversified, closed-end management investment company duly registered under the 1940 Act.

(d) The Successor Fund has full power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action of the Successor Fund's sole Trustee, and this Agreement constitutes a valid and binding contract

of the Successor Fund enforceable against the Successor Fund in accordance with its terms, subject to the effects of bankruptcy, insolvency, moratorium, fraudulent conveyance and similar laws relating to or affecting creditors' rights generally and court decisions with respect thereto.

(e) There are no material legal, administrative or other proceedings pending or, to the knowledge of the Successor Fund, threatened against it which assert liability on the part of the Successor Fund or which materially affect its financial condition or its ability to consummate the Redomestication. The Successor Fund is not charged with or, to the best of its knowledge, threatened with any violation or investigation of any possible violation of any provisions
of any federal, state or local law or regulation or administrative ruling relating to any aspect of its business.

(f) There are no material contracts outstanding to which the Successor Fund is a party that have not been disclosed in the N-14 Registration Statement (as defined in Section 1(i) herein) or that will not otherwise be disclosed to the Predecessor Fund prior to the Valuation Time.

(g) The Successor Fund is not obligated under any provision of its agreement and declaration of trust or by-laws, each as amended to the date hereof, and is not a party to any contract or other commitment or obligation, and is not subject to any order or decree, which would be violated by its execution of or performance under this Agreement, except insofar as the Funds have mutually agreed to amend such contract or other commitment or obligation to cure any
potential violation as a condition precedent to the Redomestication.

(h) The Successor Fund has no known liabilities of a material amount, contingent or otherwise, other than those incurred in connection with the Redomestication. As of the Valuation Time, the Successor Fund will advise the Predecessor Fund of all known liabilities, contingent or otherwise, whether or not incurred in the ordinary course of business, existing or accrued as of such time, except to the extent already known by the Predecessor Fund.

(i) No consent, approval, authorization or order of any court or government authority is required for the consummation by the Successor Fund of the Redomestication, except such as may be required under the Securities Act of 1933, as amended (the "1933 Act"), the Securities Exchange Act of 1934, as amended (the "1934 Act") and the 1940 Act or state securities laws (which term as used herein shall include the laws of the District of Columbia and Puerto Rico) or the rules of the New York Stock Exchange, each of which will have been obtained on or prior to the Closing Date.

(j) The registration statement filed by the Predecessor Fund on Form N-14, which includes the proxy statement of the Predecessor Fund with respect to the transactions contemplated herein (the "Joint Proxy Statement/Prospectus"), and any supplement or amendment thereto or to the documents included or incorporated by reference therein (collectively, as so amended or supplemented, the "N-14 Registration Statement"), on its effective date, at the time of the shareholder meeting called to vote on this Agreement and on the Closing Date, insofar as it relates to the Successor Fund, (i) complied or will comply in all material respects with the provisions of the 1933 Act, the 1934 Act and the 1940 Act and the rules and regulations thereunder and (ii) did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and the Joint Proxy Statement/Prospectus included therein did not or will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection only shall apply to statements in or omissions from the N-14 Registration Statement made in reliance upon and in conformity with information furnished by the Successor Fund for use in the N-14 Registration Statement.

(k) The Successor Fund has filed, or intends to file, or has obtained extensions to file, all federal, state and local tax returns which are required to be filed by it, and has paid or has obtained extensions to pay, all federal, state and local taxes shown on said returns to be due and owing and all assessments received by it, up to and including the taxable year in which the Closing Date occurs. All tax liabilities of the Successor Fund have been adequately provided for on its books, and no tax deficiency or liability of the Successor Fund has been asserted and no question with respect thereto has been raised by the Internal Revenue Service or by any state or local tax authority for taxes in excess of those already paid, up to and including the taxable year in which the Closing Date occurs.

(l) The Successor Fund is authorized to issue an unlimited number of common shares of beneficial interest, par value $0.01 per share (the "Successor Fund Common Shares"). Each outstanding Successor Fund Common Share is fully paid and nonassessable and has the voting rights provided by the Successor Fund's agreement and declaration of trust and applicable law.

(m) The books and records of the Successor Fund made available to the Predecessor Fund and/or its counsel are substantially true and

correct and contain no material misstatements or omissions with respect to the operations of the Successor Fund.

(n) The Successor Fund Common Shares to be issued to the Predecessor Fund Shareholders pursuant to this Agreement will have been duly authorized and, when issued and delivered pursuant to this Agreement, will be legally and validly issued and will be fully paid and nonassessable and will have full voting rights, except as provided by the Successor Fund's agreement and declaration of trust or applicable law, and no Successor Fund shareholder will have any preemptive right of subscription or purchase in respect thereof.

(o) At or prior to the Closing Date, the Successor Fund Common Shares to be transferred to the Predecessor Fund for distribution to the Predecessor Fund Shareholders on the Closing Date will be duly qualified for offering to the public in all states of the United States in which the sale of shares of the Funds presently are qualified, and there will be a sufficient number of such Successor Fund Common Shares registered under the 1933 Act and, as may be necessary, with each pertinent state securities commission to permit the transfers contemplated by this Agreement to be consummated.

(p) At or prior to the Closing Date, the Successor Fund will have obtained any and all regulatory, board and shareholder approvals necessary to issue the Successor Fund Common Shares to the Predecessor Fund Shareholders.

(q) The Successor Fund has elected to qualify as a regulated investment company ("RIC") within the meaning of Section 851 of the Internal Revenue Code of 1986, as amended (the "Code").

2. REPRESENTATIONS AND WARRANTIES OF THE PREDECESSOR FUND.

The Predecessor Fund represents and warrants to, and agrees with, the Successor Fund that:

(a) The Predecessor Fund is a business trust duly formed, validly existing and in good standing in conformity with the laws of the Commonwealth of Massachusetts, and has the power to own all of its assets and to carry out this Agreement. The Predecessor Fund has all necessary federal, state and local authorizations to carry on its business as it is now being conducted and to carry out this Agreement.

(b) The Predecessor Fund is duly registered under the 1940 Act as a diversified, closed-end management investment company, and such registration has not been revoked or rescinded and is in full force and effect.

(c) The Predecessor Fund has full power and authority to enter into and perform its obligations under this Agreement subject, in the case of the consummation of the Redomestication, to the approval and adoption of this Agreement by the Predecessor Fund Shareholders as described in Section 8(a) hereof. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action of the Predecessor Fund's Board of Trustees and this Agreement constitutes a valid and binding contract of the Predecessor Fund enforceable against the Predecessor Fund in accordance with its terms, subject to the effects of bankruptcy, insolvency, moratorium, fraudulent conveyance and similar laws relating to or affecting creditors' rights generally and court decisions with respect thereto.

(d) The Predecessor Fund has provided or made available (including by electronic format) to the Successor Fund the most recent audited annual financial statements of the Predecessor Fund which have been prepared in accordance with US GAAP consistently applied and have been audited by Ernst & Young LLP, and such statements fairly present the financial condition and the results of operations of the Predecessor Fund as of the respective dates indicated and the
results of operations and changes in net assets for the periods indicated, and there are no liabilities of the Predecessor Fund whether actual or contingent and whether or not determined or determinable as of such date that are required to be disclosed but are not disclosed in such statements.

(e) An unaudited statement of assets, capital and liabilities of the Predecessor Fund and an unaudited schedule of investments of the Predecessor Fund, each as of the Valuation Time (together, the "Predecessor Fund Closing Financial Statements"), will be provided or made available (including by electronic format) to the Successor Fund at or prior to the Closing Date, for the purpose of determining the number of Successor Fund Common Shares to be issued to the Predecessor Fund Shareholders pursuant to Section 3 of this Agreement; the Predecessor Fund Closing Financial Statements will fairly present the financial position of the Predecessor Fund as of the Valuation Time in conformity with US GAAP consistently applied.

(f) There are no material legal, administrative or other proceedings pending or, to the knowledge of the Predecessor Fund, threatened against it which assert liability on the part of the Predecessor Fund or which materially affect its financial condition or its ability to consummate the Redomestication. The Predecessor Fund is not charged with or, to the best of its knowledge, threatened with any violation or investigation of any possible violation of any provisions

of any federal, state or local law or regulation or administrative ruling relating to any aspect of its business.

(g) There are no material contracts outstanding to which the Predecessor Fund is a party that have not been disclosed in the N-14 Registration Statement or will not otherwise be disclosed to the Successor Fund prior to the Valuation Time.

(h) The Predecessor Fund is not obligated under any provision of its agreement and declaration of trust or by-laws, each as amended to the date hereof, or a party to any contract or other commitment or obligation, and is not subject to any order or decree, which would be violated by its execution of or performance under this Agreement, except insofar as the Funds have mutually agreed to amend such contract or other commitment or obligation to cure any potential violation as a condition precedent to the Redomestication.

(i) The Predecessor Fund has no known liabilities of a material amount, contingent or otherwise, other than those shown on the Predecessor Fund's Annual Report for the year ended December 31, 2015, those incurred since the date thereof in the ordinary course of its business as an investment company and those incurred in connection with the Redomestication. As of the Valuation Time, the Predecessor Fund will advise the Successor Fund of all known liabilities, contingent or otherwise, whether or not incurred in the ordinary course of business, existing or accrued as of such time, except to the extent disclosed in the Predecessor Fund Closing Financial Statements or to the extent already known by the Successor Fund.

(j) At both the Valuation Time and the Closing Date, the Predecessor Fund will have full right, power and authority to sell, assign, transfer and deliver the Predecessor Fund Investments. As used in this Agreement, the term "Predecessor Fund Investments" shall mean (i) the investments of the Predecessor Fund shown on the schedule of its investments as of the Valuation Time furnished to the Successor Fund; and (ii) all other assets owned by the Predecessor Fund or liabilities incurred as of the Valuation Time. At the Closing Date, subject only to the obligation to deliver the Predecessor Fund Investments as contemplated by this Agreement, the Predecessor Fund will have good and marketable title to all of the Predecessor Fund Investments, and the Successor Fund will acquire all of the Predecessor Fund Investments free and clear of any encumbrances, liens or security interests and without any restrictions upon the transfer thereof (except those imposed by the federal or state securities laws and those imperfections of title or encumbrances as do not materially detract from the value or use of the Predecessor Fund Investments or materially affect title thereto).

(k) No consent, approval, authorization or order of any court or governmental authority is required for the consummation by the Predecessor Fund of the Redomestication, except such as may be required under the 1933 Act, the 1934 Act and the 1940 Act or state securities laws (which term as used herein shall include the laws of the District of Columbia and Puerto Rico) or the rules of the New York Stock Exchange, each of which will have been obtained on or prior to the Closing Date.

(l) The N-14 Registration Statement, on its effective date, at the time of the Predecessor Fund Shareholders meeting called to vote on this Agreement and on the Closing Date, insofar as it relates to the Predecessor Fund (i) complied or will comply in all material respects with the provisions of the 1933 Act, the 1934 Act and the 1940 Act and the rules and regulations thereunder and (ii) did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and the Joint Proxy Statement/Prospectus included therein did not or will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall apply only to statements in or omissions from the N-14 Registration Statement made in reliance upon and in conformity with information furnished by the Predecessor Fund for use in the N-14 Registration Statement.

(m) The Predecessor Fund has filed, or intends to file, or has obtained extensions to file, all federal, state and local tax returns which are required to be filed by it, and has paid or has obtained extensions to pay, all federal, state and local taxes shown on said returns to be due and owing and all assessments received by it, up to and including the taxable year in which the Closing Date occurs. All tax liabilities of the Predecessor Fund have been adequately provided for on its books, and no tax deficiency or liability of the Predecessor Fund has been asserted and no question with respect thereto has been raised by the Internal Revenue Service or by any state or local tax authority for taxes in excess of those already paid, up to and including the taxable year in which the Closing Date occurs.

(n) The Predecessor Fund is authorized to issue an unlimited number of common shares of beneficial interest, par value $0.01 per share (the “Predecessor Fund Common Shares”). Each outstanding Predecessor Fund Common Share is fully paid and nonassessable, except as provided by the Predecessor Fund’s agreement and declaration of trust, and has the voting rights provided by the

Predecessor Fund's agreement and declaration of trust and applicable law.

(o) All of the issued and outstanding Predecessor Fund Common Shares were offered for sale and sold in conformity with all applicable federal and state securities laws.

(p) The Predecessor Fund will not sell or otherwise dispose of any of the Successor Fund Common Shares to be received in the Redomestication, except in distribution to Predecessor Fund Shareholders as provided in Section 3 of this Agreement.

(q) The books and records of the Predecessor Fund made available to the Successor Fund and/or its counsel are substantially true and correct and contain no material misstatements or omissions with respect to the operations of the Predecessor Fund.

(r) The Predecessor Fund has elected to qualify and has qualified as a RIC within the meaning of Section 851 of the Code for each of its taxable years since its inception, and the Predecessor Fund has satisfied the distribution requirements imposed by Section 852 of the Code to maintain RIC status for each of its taxable years.

3. THE REDOMESTICATION.

(a) Subject to receiving the requisite approvals of the Predecessor Fund Shareholders, and to the other terms and conditions contained herein, and in accordance with the applicable law, the Predecessor Fund agrees to convey, transfer and deliver to the Successor Fund and the Successor Fund agrees to acquire from the Predecessor Fund, on the Closing Date, all of the Predecessor Fund Investments (including interest accrued as of the Valuation Time on debt instruments), and assume all of the liabilities of the Predecessor Fund, in exchange for that number of Successor Fund Common Shares provided in Section 4 of this Agreement. The existence of the Successor Fund shall continue unaffected and unimpaired by the Redomestication and it shall be governed by the DSTA.

(b) Prior to the Closing Date, the Predecessor Fund shall declare a dividend or dividends which, together with all such previous dividends, shall have the effect of distributing to its shareholders (i) all of its investment company taxable income to and including the Closing Date, if any (computed without regard to any deduction for dividends paid), (ii) all of its net capital gain, if any, recognized to and including the Closing Date and (iii) the excess of its interest income excludable from gross income under Section 103(a) of the Code, if any, over its deductions disallowed under Sections 265 and 171(a)(2) of the Code for the period to and including the Closing Date. The Successor Fund may pay amounts in respect of such

distributions ("UNII Distributions") on behalf of the Predecessor Fund to the Predecessor Fund Shareholders entitled to receive such UNII Distributions after the Closing Date as an agent out of cash or other short-term liquid assets maturing prior to the payment date of the UNII Distributions acquired from the Predecessor Fund in the Redomestication, segregated for this purpose and maintained in an amount at least equal to the remaining payment obligations in respect of the UNII Distributions.

(c) Subject to receiving the requisite approvals of the Predecessor Fund Shareholders, but before the Closing Date, a duly authorized officer of the Predecessor Fund shall cause the Predecessor Fund, as the sole shareholder of the Successor Fund, to (i) elect the Trustees of the Successor Fund; (ii) ratify the selection of the Successor Fund's independent auditors; (iii) approve the investment advisory and sub-advisory agreements for the Successor Fund in substantially the same form as the investment advisory and sub-advisory agreements in effect with respect to the Predecessor Fund immediately prior to the Closing; and (iv) implement any actions approved by the shareholders of the Predecessor Fund at a meeting of shareholders scheduled for February 13, 2017 including, without limitation, if applicable, a merger with other closed-end funds in the Guggenheim Fund complex.

(d) Pursuant to this Agreement, as soon as practicable, and in no event more than 48 hours, exclusive of Sundays and holidays, after the Closing Date, the Predecessor Fund will distribute all Successor Fund Common Shares received by it to its shareholders in exchange for their Predecessor Fund Common Shares. Such distributions shall be accomplished by the opening of shareholder accounts on the share ledger records of the Successor Fund in the names of and in the amounts due to the Predecessor Fund Shareholders based on their respective holdings in the Predecessor Fund as of the Valuation Time.

(e) The Valuation Time shall be at the close of business of the New York Stock Exchange on the business day immediately preceding the Closing Date, or such earlier or later day and time as may be mutually agreed upon in writing by the Funds (the "Valuation Time").

(f) The Predecessor Fund will pay or cause to be paid to the Successor Fund any interest the Predecessor Fund receives on or after the Closing Date with respect to any of the Predecessor Fund Investments transferred to the Successor Fund hereunder.

(g) Recourse for liabilities assumed from the Predecessor Fund by the Successor Fund in the Redomestication will be limited to the net assets acquired by the Successor Fund. The known liabilities of the

Predecessor Fund, as of the Valuation Time, shall be confirmed to the Successor Fund pursuant to Section 2(i) of this Agreement.

(h) The Predecessor Fund will be terminated as soon as practicable following the Closing Date by dissolving under the laws of the Commonwealth of Massachusetts and will withdraw its authority to do business in any state where it is registered. After the Closing Date, the Predecessor Fund shall not conduct any business except in connection with its dissolution and except as provided in Section 3(c) of this Agreement.

(i) For U.S. federal income tax purposes, the parties to this Agreement intend that (i) the Redomestication qualify as a reorganization within the meaning of Section 368(a) of the Code, (ii) this Agreement constitutes a plan of reorganization within the meaning of U.S. Treasury Regulations Section 1.368-2(g), and (iii) the parties to this Agreement will each be a party to such reorganization within the meaning of Section 368(b) of the Code.

4. ISSUANCE AND VALUATION OF THE SUCCESSOR FUND COMMON SHARES IN THE REDOMESTICATION

(a) The net asset value per share of Successor Fund Common Shares issued in exchange for the Predecessor Fund Investments, shall be equal to the net asset value per share of the Predecessor Fund Common Shares on the Closing Date, and the number of such Successor Fund Common Shares shall equal the number of full and fractional Predecessor Fund Common Shares outstanding on the Closing Date.

(b) The net asset value of the Predecessor Fund, the values of its assets and the amounts of its liabilities shall be determined as of the Valuation Time in accordance with the regular procedures of the investment adviser, and no formula will be used to adjust the net asset value so determined to take into account differences in realized and unrealized gains and losses.

Such valuation and determination shall be made by the Predecessor Fund in cooperation with the Successor Fund and shall be confirmed in writing by the Predecessor Fund to the Successor Fund. The net asset value per share of the Predecessor Fund Common Shares shall be determined in accordance with such procedures and the Predecessor Fund shall certify the computations involved.

For purposes of determining the net asset value per share of Predecessor Fund Common Shares and the Successor Fund Common Shares, the value of the securities held by the applicable Fund plus any cash or other assets (including interest accrued but not yet received) minus all liabilities (including accrued expenses) shall be divided by the total number of Predecessor Fund Common Shares or Successor Fund Common Shares, as the case may be, outstanding at such time.

(c) The Successor Fund shall issue to the Predecessor Fund book entry interests for the Successor Fund Common Shares registered in the name of the Predecessor Fund. The Predecessor Fund shall then distribute the Successor Fund Common Shares to the holders of Predecessor Fund Common Shares by redelivering the book entry interests evidencing ownership of the Successor Fund Common Shares to the transfer agent and registrar for the Successor Fund Common Shares, for distribution to the holders of Predecessor Fund Common Shares on the basis of each such holder's proportionate interest in the Predecessor Fund Common Shares. With respect to any Predecessor Fund Shareholders holding certificates evidencing ownership of Predecessor Fund Common Shares as of the Closing Date, and subject to the Successor Fund being informed thereof in writing by the Predecessor Fund, the Successor Fund will not permit such Predecessor Fund Shareholder to receive new book entry interests of the Successor Fund Common Shares, until notified by the Predecessor Fund or its agent that such shareholder has surrendered his or her outstanding certificates evidencing ownership of Predecessor Fund Common Shares or, in the event of lost certificates, posted adequate bond. The Predecessor Fund, at its own expense, will request its Predecessor Fund Shareholders to surrender their outstanding certificates evidencing ownership of Predecessor Fund Common Shares or post adequate bond therefor.

(d) No fractional shares of Successor Fund Common Shares will be issued to holders of Predecessor Fund Common Shares unless such shares are held in a Dividend Reinvestment Plan account. In lieu thereof, the Successor Fund's transfer agent will aggregate all fractional Successor Fund Common Shares to be issued in connection with the Redomestication (other than those issued to a Dividend Reinvestment Plan account) and sell the resulting full shares on the New York Stock Exchange at the current market price for Successor Fund Common Shares for the account of all holders of such fractional interests, and each such holder will receive such holder's pro rata share of the proceeds of such sale upon surrender of such holder's certificates representing Successor Fund Common Shares.

5. PAYMENT OF EXPENSES.

(a) The Predecessor Fund will bear all expenses incurred in connection with the Redomestication, including but not limited to, costs related to the preparation and distribution of materials distributed to the Successor Fund's Trustees and the Predecessor Fund's Board of Trustees, expenses incurred in connection with the preparation of the Agreement and Plan of Redomestication, the preparation and filing of any documents required by such Fund's state of organization, the preparation and filing of the N-14 Registration Statement with the

U.S. Securities and Exchange Commission ("SEC"), the printing and distribution of the Joint Proxy Statement/Prospectus and any other materials required to be distributed to shareholders, the SEC, state securities commission and secretary of state filing fees and legal and audit fees in connection with the Redomestication, legal fees incurred preparing each Fund's board materials, attending each Fund's board meetings and preparing the minutes, audit fees associated with the Predecessor Fund's financial statements, stock exchange fees, transfer agency fees, portfolio transfer taxes (if any) and any similar expenses incurred in connection with the Redomestication, which will be borne directly by the Funds. Neither the Funds nor the investment adviser will pay any expenses of shareholders arising out of or in connection with the Redomestication.

(b) If for any reason the Redomestication is not consummated, no party shall be liable to any other party for any damages resulting therefrom, including, without limitation, consequential damages, and the Predecessor Fund shall be responsible for all expenses incurred in connection with the Redomestication.

6. COVENANTS OF THE FUNDS.

(a) COVENANTS OF EACH FUND.

(i) Each Fund covenants to operate its business as presently conducted between the date hereof and the Closing Date.

(ii) Each of the Funds agrees that by the Closing Date all of its U.S. federal and other tax returns and reports required to be filed on or before such date shall have been filed and all taxes shown as due on said returns either have been paid or adequate liability reserves have been provided for the payment of such taxes.

(iii) The intention of the parties is that the transaction contemplated by this Agreement will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. Neither the Successor Fund nor the Predecessor Fund shall take any action or cause any action to be taken (including, without limitation, the filing of any tax return) that is inconsistent with such treatment or results in the failure of the transaction to qualify as a reorganization within the meaning of Section 368(a) of the Code. At or prior to the Closing Date, the Successor Fund and the Predecessor Fund will take such action, or cause such action to be taken, as is reasonably necessary to enable Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden"), special counsel to the

Funds, to render the tax opinion required herein (including, without limitation, each party's execution of representations reasonably requested by and addressed to Skadden).

(iv) In connection with this covenant, the Funds agree to cooperate with each other in filing any tax return, amended return or claim for refund, determining a liability for taxes or a right to a refund of taxes or participating in or conducting any audit or other proceeding in respect of taxes. The Successor Fund agrees to retain for a period of ten (10) years following the Closing Date all returns, schedules and work papers and all material records or other documents relating to tax matters of the Predecessor Fund for each of such Fund's taxable periods ending on or before the Closing Date.

(v) Each Fund shall use reasonable efforts to obtain all requisite consents and approvals necessary to consummate the Redomestication.

(b) COVENANTS OF THE SUCCESSOR FUND.

(i) The Successor Fund has no plan or intention to sell or otherwise dispose of the Predecessor Fund Investments, except for dispositions made in the ordinary course of business.

(ii) The Successor Fund shall use reasonable efforts to cause the Successor Fund Common Shares to be issued in the Redomestication to be approved for listing on the New York Stock Exchange prior to the Closing Date.

(iii) The Successor Fund agrees to mail to its shareholders of record entitled to vote at the special meeting of shareholders at which action is to be considered regarding this Agreement, in sufficient time to comply with requirements as to notice thereof, the Joint Proxy Statement/Prospectus which complies in all material respects with the applicable provisions of Section 14(a) of the 1934 Act and Section 20(a) of the 1940 Act, and the rules and regulations, respectively, thereunder.

(c) COVENANTS OF THE PREDECESSOR FUND.

(i) The Predecessor Fund will file the N-14 Registration Statement with the SEC and will use its best efforts to provide that the N-14 Registration Statement becomes effective as promptly as practicable. Each Fund agrees to cooperate fully with the other, and each will furnish to the other the information relating to itself to be set forth in the

N-14 Registration Statement as required by the 1933 Act, the 1934 Act and the 1940 Act, and the rules and regulations thereunder and the state securities laws.

(ii) The Predecessor Fund agrees that following the consummation of the Redomestication, it will dissolve in accordance with the laws of the Commonwealth of Massachusetts and any other applicable law, it will not make any distributions of any Successor Fund Common Shares other than to its shareholders and without first paying or adequately providing for the payment of all of its respective liabilities not assumed by the Successor Fund, if any, and on and after the Closing Date it shall not conduct any business except in connection with its termination.

(iii) The Predecessor Fund agrees to mail to its shareholders of record entitled to vote at the special meeting of shareholders at which action is to be considered regarding this Agreement, in sufficient time to comply with requirements as to notice thereof, the Joint Proxy Statement/Prospectus which complies in all material respects with the applicable provisions of Section 14(a) of the 1934 Act and Section 20(a) of the 1940 Act, and the rules and regulations, respectively, thereunder.

(iv) After the Closing Date, the Predecessor Fund shall prepare, or cause its agents to prepare, any U.S. federal, state or local tax returns required to be filed by such Predecessor Fund with respect to its final taxable year ending with its complete liquidation and dissolution and for any prior periods or taxable years and further shall cause such tax returns to be duly filed with the appropriate taxing authorities. Notwithstanding the aforementioned provisions of this subsection, any expenses incurred by the Predecessor Fund (other than for payment of taxes) in connection with the preparation and filing of said tax returns after the Closing Date shall be borne by such Predecessor Fund to the extent such expenses have been accrued by such Predecessor Fund in the ordinary course without regard to the Redomestication; any excess expenses shall be paid from a liability reserve established to provide for the payment of such expenses.

7. CLOSING DATE.

(a) The closing of the Redomestication (the “Closing”) shall occur prior to the opening of the New York Stock Exchange at the offices of Guggenheim Funds Investment Advisers, LLC, 227 West Monroe

Street, 7th Floor, Chicago, Illinois 60606, or at such other time or location as may be mutually agreed to by the Funds, on the next full business day following the Valuation Time to occur after the satisfaction or waiver of all of the conditions set forth in Sections 8 and 9 of this Agreement (other than the conditions that relate to actions to be taken, or documents to be delivered at the Closing, it being understood that the occurrence of the Closing shall remain subject to the satisfaction or waiver of such conditions at Closing), or at such other

time and date as may be mutually agreed to by the Funds (such date, the "Closing Date").

(b) On the Closing Date, the Predecessor Fund shall deliver its assets that are to be transferred, together with any other Predecessor Fund Investments, to the Successor Fund, and the Successor Fund shall issue the Successor Fund Common Shares as provided in this Agreement. To the extent that any Predecessor Fund Investments, for any reason, are not transferable on the Closing Date, the Predecessor Fund shall cause such

Predecessor Fund Investments to be transferred to the Successor Fund's account with its custodian at the earliest practicable date thereafter.

(c) The Predecessor Fund will deliver to the Successor Fund on the Closing Date confirmation or other adequate evidence as to the tax basis of the Predecessor Fund Investments delivered to the Successor Fund hereunder.

(d) As soon as practicable after the close of business on the Closing Date, the Predecessor Fund shall deliver or make available to (including by electronic format) the Successor

Fund a list of the names and addresses of all of the Predecessor Fund Shareholders of record on the Closing Date and the number of Predecessor Fund Common Shares owned by each such Predecessor Fund Shareholder, certified to the best of its knowledge and belief by the transfer agent for the Predecessor Fund Common Shares or by the Predecessor Fund's Chief Executive Officer, President, any Vice President, Chief Financial Officer, Treasurer or any Assistant Treasurer, or Secretary or any Assistant Secretary.

8. CONDITIONS OF THE PREDECESSOR FUND.

The obligations of the Predecessor Fund hereunder shall be subject to the following conditions:

(a) That this Agreement shall have been approved by at least two-thirds of the members of the Board of Trustees of the Predecessor Fund and by the affirmative vote of the Predecessor Fund Shareholders representing a 1940 Act Majority (as defined below) of the outstanding common shares entitled to vote on this Agreement. A

"1940 Act Majority" means the affirmative vote of either (i) 67% or more of the shares present at the meeting, if the holders of more than 50% of the outstanding shares are present or represented by proxy or (ii) more than 50% of the outstanding shares, whichever is less.

(b) That the Successor Fund shall have delivered (including in electronic format) to the Predecessor Fund (i) a copy of the resolutions approving this Agreement and the issuance of additional Successor Fund Common Shares in connection with the Redomestication adopted by the Board of Trustees of the Successor Fund, (ii) a certificate setting forth the vote of the Successor Fund Shareholders approving the Redomestication, including the issuance of additional Successor Fund Common shares in connection with the Redomestication, and (iii) a certificate certifying that the Successor Fund has received all requisite consents and approvals necessary to consummate the Redomestication, each certified by the Successor Fund's Secretary.

(c) That the Successor Fund shall have furnished to the Predecessor Fund a certificate signed by the Successor Fund's Chief Executive Officer, President, any Vice President, Chief Financial Officer, Treasurer or any Assistant Treasurer, dated as of the Closing Date, certifying that, as of the Valuation Time and as of the Closing Date, all representations and warranties of the Successor Fund made in this Agreement are true and correct in all material respects with the same effect as if made at and as of such dates, and that the Successor Fund has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to each of such dates.

(d) That there shall not be any material litigation pending with respect to the matters contemplated by this Agreement.

(e) That the Predecessor Fund shall have received the opinion of Skadden, special counsel for the Successor Fund, dated as of the Closing Date, addressed to the Predecessor Fund, that substantively provides the following:

(i) based solely on its review of a certificate, and a bringdown verification thereof, dated as of the Closing Date, from the Secretary of State of the State of Delaware with respect to the Successor Fund's existence and good standing in the State of Delaware, the Successor Fund is validly existing and in good standing under the DSTA;

(ii) the Successor Fund has the statutory trust power and authority to execute, deliver and perform all of its obligations under this Agreement under the DSTA;

(iii) this Agreement has been duly authorized, executed and delivered by all requisite statutory trust action on the part of the Successor Fund under the DSTA;

(iv) this Agreement constitutes a valid and binding obligation of the Successor Fund, enforceable against the Successor Fund in accordance with its terms under the laws of the State of Delaware;

(v) neither the execution and delivery by the Successor Fund of this Agreement nor the performance by the Successor Fund of its obligations under this Agreement (i) conflicts with the agreement and declaration of trust or by-laws of the Successor Fund; (ii) constitutes a material violation of, or a default under, any material contract, agreement, instrument or other document pertaining to, or material to the business or financial condition of, the Successor Fund; (iii) contravenes any material judgment, order or decree of courts or other governmental authorities or arbitrators that are material to the business or financial condition of the Successor Fund; or (iv) violates the 1940 Act or any law, rule or regulation of the State of Delaware;

(vi) neither the execution and delivery by the Successor Fund of this Agreement nor the enforceability of this Agreement against the Successor Fund requires the consent, approval, licensing or authorization of, or any filing, recording or registration with, any governmental authority under the 1940 Act or any law, rule or regulation of the State of Delaware, except for those consents, approvals, licenses and authorizations already obtained and those filings, recordings and registrations already made; and

(vii) when the Successor Fund Common Shares have been duly entered into the share record books of the Successor Fund and issued and delivered to the Predecessor Fund Shareholders in accordance with the terms of this Agreement, the issuance of the Successor Fund Common shares will have been duly authorized by all requisite statutory trust action on the part of the Successor Fund under the DSTA, and the Successor Fund Common Shares will be validly issued and fully paid, and under the DSTA, the Predecessor Fund Shareholders will have no obligation to make further payments for the Successor Fund Common Shares or contributions to the Successor Fund solely by reason of their ownership of the Successor Fund Common Shares (except as provided for in the Successor Fund's

agreement and declaration of trust or applicable law and except for their obligation to repay any funds wrongfully distributed to them).

(f) That the Predecessor Fund shall have obtained an opinion from Skadden, special counsel for the Successor Fund, dated as of the Closing Date, addressed to the Predecessor Fund, that the consummation of the transactions set forth in this Agreement complies with the requirements of a reorganization as described in Section 368(a) of the Code.

(g) That all proceedings taken by the Successor Fund and its counsel in connection with the Redomestication and all documents incidental thereto shall be satisfactory in form and substance to the Predecessor Fund.

(h) That the N-14 Registration Statement shall have become effective under the 1933 Act, and no stop order suspending such effectiveness shall have been instituted or, to the knowledge of the Successor Fund, be contemplated by the SEC.

9. CONDITIONS OF THE SUCCESSOR FUND.

The obligations of the Successor Fund hereunder shall be subject to the following conditions:

(a) That this Agreement and the issuance of additional Successor Fund Common Shares in connection with the reorganization shall have been approved by the Trustees of the Successor Fund and by the affirmative vote of the Successor Fund Shareholders representing a 1940 Act Majority of the outstanding common shares entitled to vote on this Agreement.

(b) That the Predecessor Fund shall have delivered (including in electronic format) to the Successor Fund (i) a copy of the resolutions approving this Agreement adopted by the Board of Trustees of the Predecessor Fund, (ii) a certificate setting forth the vote of the Predecessor Fund Shareholders approving the Redomestication and (iii) a certificate certifying that the Predecessor Fund has received all requisite consents and approvals necessary to consummate the Redomestication, each certified by the Predecessor Fund's Secretary.

(c) That the Predecessor Fund shall have provided or made available (including by electronic format) to the Successor Fund the Predecessor Fund Closing Financial Statements, together with a schedule of the Predecessor Fund's investments with their respective dates of acquisition and tax costs, all as of the Valuation Time, certified on the Predecessor Fund's behalf by its Chief Executive

Officer, President, any Vice President, Chief Financial Officer, Treasurer or any Assistant Treasurer, and a certificate signed by Predecessor Fund's Chief Executive Officer, President, any Vice President, Chief Financial Officer, Treasurer or any Assistant Treasurer, dated as of the Closing Date, certifying that as of the Valuation Time and as of the Closing Date there has been no material adverse change in the financial position of the Predecessor Fund since the date of the Predecessor Fund's most recent Annual Report or Semi-Annual Report, as applicable, other than changes in the Predecessor Fund Investments since that date or changes in the market value of the Predecessor Fund Investments.

(d) That the Predecessor Fund shall have furnished to the Successor Fund a certificate signed by the Predecessor Fund's Chief Executive Officer, President, any Vice President, Chief Financial Officer, Treasurer or any Assistant Treasurer, dated as of the Closing Date, certifying that as of the Valuation Time and as of the Closing Date all representations and warranties of the Predecessor Fund made in this Agreement are true and correct in all material respects with the same effect as if made at and as of such dates and the Predecessor Fund has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to such dates.

(e) That there shall not be any material litigation pending with respect to the matters contemplated by this Agreement.

(f) That the Successor Fund shall have received the opinion of Skadden, special counsel for the Predecessor Fund, dated as of the Closing Date, addressed to the Successor Fund, that substantively provides the following:

(i) based solely on its review of a certificate, and a bringdown verification thereof, dated as of the Closing Date, from the Secretary of State of the Commonwealth of Massachusetts with respect to the Predecessor Fund's existence and good standing in the Commonwealth of Massachusetts, the Predecessor Fund is validly existing and in good standing under the laws of the Commonwealth of Massachusetts;

(ii) the Predecessor Fund is registered with the SEC as a closed-end management investment company under the 1940 Act;

(iii) the Predecessor Fund has the business trust power and authority to execute, deliver and perform all of its obligations under this Agreement under the laws of the Commonwealth of Massachusetts;

(iv) this Agreement has been duly authorized, executed and delivered by all requisite statutory trust action on the part of

the Predecessor Fund under the laws of the Commonwealth of Massachusetts;

(v) this Agreement constitutes a valid and binding obligation of the Predecessor Fund, enforceable against the Predecessor Fund in accordance with its terms under the laws of the Commonwealth of Massachusetts;

(vi) neither the execution and delivery by the Predecessor Fund of this Agreement nor the performance by the Predecessor Fund of its obligations under this Agreement (i) conflicts with the agreement and declaration of trust or by-laws of the Predecessor Fund; (ii) constitutes a material violation of, or a default under, any material contract, agreement, instrument or other document pertaining to, or material to the business or financial condition of, the Predecessor Fund; (iii) contravenes any material judgment, order or decree of courts or other governmental authorities or arbitrators that are material to the business or financial condition of the Predecessor Fund; or (iv) violates the 1940 Act or any law, rule or regulation of the State of Delaware; and

(vii) neither the execution and delivery by the Predecessor Fund of this Agreement nor the enforceability of this Agreement against the Predecessor Fund requires the consent, approval, licensing or authorization of, or any filing, recording or registration with, any governmental authority under the 1940 Act or any law, rule or regulation of the State of Delaware except for those consents, approvals, licenses and authorizations already obtained and those filings, recordings and registrations already made.

(g) That the Successor Fund shall have obtained an opinion from Skadden, special counsel for the Predecessor Fund, dated as of the Closing Date, addressed to the Successor Fund, that the consummation of the transactions set forth in this Agreement complies with the requirements of a reorganization as described in Section 368(a) of the Code.

(h) That all proceedings taken by the Predecessor Fund and its counsel in connection with the Redomestication and all documents incidental thereto shall be satisfactory in form and substance to the Successor Fund.

(i) That the N-14 Registration Statement shall have become effective under the 1933 Act and no stop order suspending such effectiveness shall have been instituted or, to the knowledge of the Predecessor Fund, be contemplated by the SEC.

(j) That prior to the Closing Date, the Predecessor Fund shall have declared a dividend or dividends which, together with all such previous dividends, shall have the effect of distributing to its shareholders (i) all of its investment company taxable income to and including the Closing Date, if any (computed without regard to any deduction for dividends paid), (ii) all of its net capital gain, if any, recognized to and including the Closing Date and (iii) the excess of its interest income excludable from gross income under Section 103(a) of the Code, if any, over its deductions disallowed under Sections 265 and 171(a)(2) of the Code for the period to and including the Closing Date. The Successor Fund may pay amounts in respect of such UNII Distributions on behalf of the Predecessor Fund to the Predecessor Fund Shareholders entitled to receive such UNII Distributions after the Closing Date as an agent out of cash or other short-term liquid assets maturing prior to the payment date of the UNII Distributions acquired from the Predecessor Fund in the Redomestication, segregated for this purpose and maintained in an amount at least equal to the remaining payment obligations in respect of the UNII Distributions.

10. TERMINATION, POSTPONEMENT AND WAIVERS.

(a) Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated and the Redomestication abandoned at any time (whether before or after adoption thereof by the shareholders of the Predecessor Fund) prior to the Closing Date, or the Closing Date may be postponed, (i) by mutual consent of the Boards of Trustees of the Predecessor Fund and the sole Trustee of the Successor Fund; (ii) by the Board of Trustees of the Predecessor Fund if any condition of Predecessor Fund's obligations set forth in Section 8 of this Agreement has not been fulfilled or waived by such Board of Trustees; and (iii) by the sole Trustee of the Successor Fund if any condition of the Successor Fund's obligations set forth in Section 9 of this Agreement has not been fulfilled or waived by such sole Trustee.

(b) If the transactions contemplated by this Agreement have not been consummated by May 31, 2017 this Agreement automatically shall terminate on that date, unless a later date is mutually agreed to by the Boards of Trustees of the Successor Fund and the Predecessor Fund.

(c) In the event of termination of this Agreement pursuant to the provisions hereof, the same shall become void and have no further effect, and there shall not be any liability on the part of any Fund or its respective directors, trustees, officers, agents or shareholders in respect of this Agreement other than with respect to Section 11 and

payment by each Fund of its respective expenses incurred in connection with the Redomestication.

(d) At any time prior to the Closing Date, any of the terms or conditions of this Agreement may be waived by the Board of Trustees of the Predecessor Fund or the sole Trustee of the Successor Fund (whichever is entitled to the benefit thereof), if, in the judgment of such Board of Trustees or sole Trustee after consultation with its counsel, such action or waiver will not have a material adverse effect on the benefits intended under this Agreement to the shareholders of their respective Fund, on behalf of which such action is taken; provided, however, that in no event shall the receipt of the opinions referred to in Section 8(f) and 9(g) be waived.

(e) The respective representations and warranties contained in Sections 1 and 2 of this Agreement shall expire with, and be terminated by, the consummation of the Redomestication, and neither the Funds, nor any of their respective officers, directors, trustees, agents or shareholders shall have any liability with respect to such representations or warranties after the Closing Date. This provision shall not protect any officer, director, trustee, agent or shareholder of either of the Funds against any liability to the entity for which that officer, director, trustee, agent or shareholder so acts or to its shareholders, to which that officer, director, trustee, agent or shareholder otherwise would be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard

of his or her duties in the conduct of such office.

(f) If any order or orders of the SEC with respect to this Agreement shall be issued prior to the Closing Date and shall impose any terms or conditions which are determined by action of the Trustees of the Successor Fund and the Board of Trustees of the Predecessor Fund to be acceptable, such terms and conditions shall be binding as if a part of this Agreement without further vote or approval of the Predecessor Fund Shareholders unless such terms and conditions shall result in a change in the method of computing the number of Successor Fund Common Shares to be issued to the Predecessor Fund Shareholders, in which event, unless such terms and conditions shall have been included in the proxy solicitation

materials furnished to the Predecessor Fund Shareholders prior to the meeting at which the Redomestication shall have been approved, this Agreement shall not be consummated and shall terminate unless the Predecessor Fund promptly shall call a special meeting of the Predecessor Fund Shareholders at which such conditions so imposed shall be submitted for approval.

11. INDEMNIFICATION.

(a) Each party (an "Indemnitor") shall indemnify and hold the other and its officers, directors, trustees, agents and persons controlled by or controlling any of them (each an "Indemnified Party") harmless from and against any and all losses, damages, liabilities, claims, demands, judgments, settlements, deficiencies, taxes, assessments, charges, costs and expenses of any nature whatsoever (including reasonable attorneys' fees) including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees reasonably incurred by such Indemnified Party in connection with the defense or disposition of any claim,

action, suit or other proceeding, whether civil or criminal, before any court or administrative or investigative body in which such Indemnified Party may be or may have been involved as a party or otherwise or with which such Indemnified Party may be or may have been threatened (collectively, the “Losses”) arising out of or related to any claim of a breach of any representation, warranty or covenant made herein by the Indemnitor; provided, however, that no Indemnified Party shall be indemnified hereunder against any Losses arising directly from such Indemnified Party’s (i) willful misfeasance, (ii) bad faith, (iii) gross negligence or (iv) reckless disregard of the duties involved

in the conduct of such Indemnified Party's position.

(b) The Indemnified Party shall use its best efforts to minimize any liabilities, damages, deficiencies, claims, judgments, assessments, costs and expenses in respect of which indemnity may be sought hereunder. The Indemnified Party shall give written notice to Indemnitor within the earlier of ten (10) days of receipt of written notice to the Indemnified Party or thirty (30) days from discovery by the Indemnified Party of any matters which may give rise to a claim for indemnification or reimbursement under this Agreement. The failure to give such notice shall not affect the right of the Indemnified Party to

indemnity hereunder unless such failure has materially and adversely affected the rights of the Indemnitor. At any time after ten (10) days from the giving of such notice, the Indemnified Party may, at its option, resist, settle or otherwise compromise, or pay such claim unless it shall have received notice from the Indemnitor that the Indemnitor intends, at the Indemnitor's sole cost and expense, to assume the defense of any such matter, in which case the Indemnified Party shall have the right, at no cost or expense to the Indemnitor, to participate in such defense. If the Indemnitor does not assume the defense of such matter, and in any event until the Indemnitor states in writing that it will assume the

defense, the Indemnitor shall pay all costs of the Indemnified Party

arising out of the defense until the defense is assumed; provided, however, that the Indemnified Party shall consult with the Indemnitor and obtain indemnitor's prior written consent to any payment or settlement of any such claim. The Indemnitor shall keep the Indemnified Party fully apprised at all times as to the status of the defense. If the Indemnitor does not assume the defense, the Indemnified Party shall keep the Indemnitor apprised at all times as to the status of the defense. Following indemnification as provided for hereunder, the Indemnitor shall be subrogated to all rights of the Indemnified Party with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made.

12. OTHER MATTERS.

(a) All covenants, agreements, representations and warranties made under this Agreement and any certificates delivered pursuant to this Agreement shall be deemed to have been material and relied upon by each of the parties, notwithstanding any investigation made by them or on their behalf.

(b) All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent by registered mail or certified mail, postage prepaid. Notice to the Predecessor Fund and Successor Fund shall be addressed to Guggenheim Enhanced Equity Income Fund, c/o Guggenheim Funds Investment Advisers, LLC, 227 West Monroe Street, Chicago, Illinois 60606, Attention: Mark E. Mathiasen, Secretary of the Funds, or at such

other address and to the attention of such other person as the Funds may designate by written notice to the other. Any notice shall be deemed to have been served or given as of the date such notice is delivered personally or mailed.

(c) This Agreement supersedes all previous correspondence and oral communications between the Funds regarding the Redomestication, constitutes the only understanding with respect to the Redomestication, may not be changed except by a letter of agreement signed by each Fund and shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed in said state.

(d)

This Agreement may be amended or modified by the parties hereto prior to the Closing Date, by action taken or authorized by their respective Boards of Trustees or sole Trustee, as applicable, at any time before or after adoption of this Agreement and approval of the Redomestication by the Predecessor Fund Shareholders, but, after any such adoption and approval, no amendment or modification shall be made which by law requires further approval by such

shareholders without such further approval. This Agreement may not be amended or modified except by an instrument in writing signed on behalf of each of the Funds.

(e) This Agreement is not intended to confer upon any person other than the parties hereto (or their respective successors and assigns) any rights, remedies, obligations or liabilities hereunder. If any provision of this Agreement shall be held or made invalid by statute rule, regulation, decision of a tribunal or otherwise, the remainder of this Agreement shall not be affected thereby and,

to such extent, the provisions of this Agreement shall be deemed severable provided that this Agreement shall be deemed modified to give effect to the fullest extent permitted under applicable law to the intentions of the party as reflected by this Agreement prior to the invalidity of such provision.

(f) It is expressly agreed that the obligations of the Funds hereunder shall not be binding upon any of their respective directors, trustees, shareholders, nominees, officers, agents, or employees personally, but shall bind only the

property of the respective Fund. The execution and delivery of this Agreement has been authorized by the Boards of Trustees of the Successor Fund and the Predecessor Fund and signed by an authorized officer of each of the Successor Fund and the Predecessor Fund, acting as such, and neither such authorization by such Board of Trustees nor such execution and delivery by such officer shall be deemed to have been made by any of them individually or to impose any liability on any of them personally, but shall bind only the trust property of each Fund.

(g) This Agreement

may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original but all such counterparts together shall constitute but one instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed and delivered by their duly authorized officers as of the day and year first written above.

GUGGENHEIM ENHANCED EQUITY INCOME FUND, a Massachusetts business trust

By: /s/ Mark E. Mathiasen
Name: Mark E. Mathiasen
Title: Secretary

GUGGENHEIM ENHANCED EQUITY INCOME FUND, a Delaware statutory trust

By: /s/ Mark E. Mathiasen
Name: Mark E. Mathiasen
Title: Secretary

EXHIBIT C

FORM OF AGREEMENT AND PLAN OF MERGER

October 5, 2016

In order to consummate the reorganization contemplated herein (the "Merger") and in consideration of the promises and the covenants and agreements hereinafter set forth, and intending to be legally bound, _____, a registered [non-]diversified closed-end investment company, File No. 811-_____, (the "Target Fund") and Guggenheim Enhanced Equity Income Fund, a Delaware statutory trust and a registered diversified closed-end investment company, File No. 811-21681 (the "Acquiring Fund" and together with the Target Fund, the "Funds"), each hereby agree as follows. The predecessor to the Acquiring Fund, a Massachusetts business trust (the "Predecessor Acquiring Fund") joints this agreement solely for the purpose of making the representations in Paragraph 1 and agreeing to be bound by Paragraphs 6(a) and 6(b)(i), 6(b)(iv) and 6(b)(v).

1. REPRESENTATIONS AND WARRANTIES OF THE ACQUIRING FUND.

The Acquiring Fund and the Predecessor Acquiring Fund represent and warrant to, and agree with, the Target Fund that:

(a) The Acquiring Fund is a statutory trust duly formed, validly existing and in good standing in conformity with the Delaware Statutory Trust Act (the "DSTA"), and has the power to own all of its assets and to carry out this Agreement. The Acquiring Fund has all necessary federal, state and local authorizations

to carry on its business as it is now being conducted and to carry out this Agreement.

(b) The Acquiring Fund is duly registered under the Investment Company Act of 1940, as amended (the "1940 Act") as a diversified, closed-end management investment company and such registration has not been revoked or rescinded and is in full force and effect.

(c) The Acquiring Fund has full power and authority to enter into and perform its obligations under this Agreement subject, in the case of the consummation of the Merger, to the approval and adoption of this Agreement by the common shareholders of the Acquiring Fund (the

"Acquiring Fund Shareholders") as described in Section 9(a) hereof. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action of the Acquiring Fund's Board of Trustees, and this Agreement constitutes a valid and binding contract of the Acquiring Fund enforceable against the Acquiring Fund in accordance with its terms, subject to the effects of bankruptcy, insolvency, moratorium, fraudulent conveyance and

similar laws relating to or affecting creditors' rights generally and court decisions with respect thereto.

(d) The Acquiring Fund has provided or made available (including by electronic format) to the Target Fund the most recent audited annual financial statements of the Acquiring Fund, which have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") consistently applied and have been audited by Ernst & Young LLP, each Fund's independent registered public accounting firm, and such statements fairly present the financial condition and

the results of operations of the Acquiring Fund as of the respective dates indicated and the results of operations and changes in net assets for the periods indicated, and there are no liabilities of the Acquiring Fund whether actual or contingent and whether or not determined or determinable as of such date that are required to be disclosed but are not disclosed in such statements.

(e) An unaudited statement of assets, capital and liabilities of the Acquiring Fund and an unaudited schedule of investments of the Acquiring Fund, each as of the Valuation Time (as defined in Section 3(e) herein) (together, the "Acquiring Fund Closing

Financial Statements"), will be provided or made available (including by electronic format) to the Target Fund, at or prior to the Closing Date (as defined in Section 7(a) herein), for the purpose of determining the number of Acquiring Fund Common Shares (as defined in Section 1(m) herein) to be issued to the Target Fund shareholders (the "Target Fund Shareholders") pursuant to Section 3 of this Agreement; the Acquiring Fund Closing Financial Statements will fairly present the financial position of the Acquiring Fund as of the Valuation Time in conformity US GAAP consistently applied.

(f) There are no material legal, administrative or other proceedings pending or, to the knowledge of the Acquiring Fund, threatened against it which assert liability on the part of the Acquiring Fund or which materially affect its financial condition or its ability to consummate the Merger. The Acquiring Fund is not charged with or, to the best of its knowledge, threatened with any violation or investigation of any possible violation of any provisions of any federal, state or local law or regulation or administrative ruling relating to any aspect of its business.

(g) There are no material contracts outstanding to which the

Acquiring Fund is a party that have not been disclosed in the N-14 Registration Statement (as defined in Section 1(k) herein) or that will not otherwise be disclosed to the Target Fund prior to the Valuation Time.

(h) The Acquiring Fund is not obligated under any provision of its agreement and declaration of trust or by-laws, each as amended to the date hereof, and is not a party to any contract or other commitment or obligation, and is not subject to any order or decree, which would be violated by its execution of or performance under this Agreement, except insofar as the Funds have mutually agreed to amend such contract or other commitment or obligation to cure any potential violation as a condition precedent to the Merger.

(i) The Acquiring Fund has no known liabilities of a material amount, contingent or otherwise, other than those shown on the Acquiring Fund's Annual Report for the year ended December 31, 2015, those incurred since the date thereof in the ordinary course of its business as an investment company, and those incurred in connection with the Merger. As of the Valuation Time, the Acquiring Fund will advise the Target Fund of all known liabilities, contingent or otherwise, whether or not incurred in the ordinary course of business, existing or accrued as of such time, except to the extent disclosed in the Acquiring Fund Closing Financial Statements or to the extent already known by the Target Fund.

(j) No consent, approval, authorization or order of any court or government authority is required for the consummation by the Acquiring Fund of the Merger, except such as may be required under the Securities Act of 1933, as amended (the "1933 Act"), the Securities Exchange Act of 1934, as amended (the "1934 Act") and the 1940 Act or state securities laws (which term as used herein shall include the laws of the District of Columbia and Puerto Rico) or the rules of the New York Stock Exchange, each of which will have been obtained on or prior to the Closing Date.

(k) The registration statement filed by the Acquiring Fund on Form N-14, which includes the proxy statement of the Target Fund and the Acquiring Fund with respect to the transactions contemplated herein (the "Joint Proxy Statement/Prospectus"), and any supplement or amendment thereto or to the documents included or incorporated by reference therein (collectively, as so amended or supplemented, the "N-14 Registration Statement"), on its effective date, at the time of the shareholder meeting called to vote on this Agreement and on the Closing Date, insofar as it relates to the Acquiring Fund, (i) complied or will comply in all material respects with the provisions of the 1933 Act, the 1934 Act and the 1940 Act and the rules and regulations thereunder and (ii) did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and the Joint Proxy Statement/Prospectus included therein did not or will not contain any untrue statement of a

material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection only shall apply to statements in or omissions from the N-14 Registration Statement made in reliance upon and in conformity with information furnished by the Acquiring Fund for use in the N-14 Registration Statement.

(l) The Acquiring Fund has filed, or intends to file, or has obtained extensions to file, all federal, state and local tax returns which are required to be filed by it, and has paid or has obtained extensions to pay, all federal, state and local taxes shown on said returns to be due and owing and all assessments received by it, up to and including the taxable year in which the Closing Date occurs. All tax liabilities of the Acquiring Fund have been adequately provided for on its books, and no tax deficiency or liability of the Acquiring Fund has been asserted and no question with respect thereto has been raised by the Internal Revenue Service or by any state or local tax authority for taxes in excess of those already paid, up to and including the taxable year in which the Closing Date occurs.

(m) The Acquiring Fund is authorized to issue an unlimited number of common shares of beneficial interest, par value $0.01 per share (the "Acquiring Fund Common Shares"). Each outstanding Acquiring Fund Common Share is fully paid and nonassessable, except as provided by the Acquiring Fund's agreement and declaration of trust, and has the voting rights provided by the Acquiring Fund's agreement and declaration of trust and applicable law.

(n) The books and records of the Acquiring Fund made available to the Target Fund and/or its counsel are substantially true and correct and contain no material misstatements or omissions with respect to the operations of the Acquiring Fund.

(o) The Acquiring Fund Common Shares to be issued to the Target Fund Shareholders pursuant to this Agreement will have been duly authorized and, when issued and delivered pursuant to this Agreement, will be legally and validly issued and will be fully paid and nonassessable and will have full voting rights, except as provided by the Acquiring Fund's agreement and declaration of trust or applicable law, and no Acquiring Fund Shareholder will have any preemptive right of subscription or purchase in respect thereof.

(p) At or prior to the Closing Date, the Acquiring Fund Common Shares to be transferred to the Target Fund for distribution to the Target Fund Shareholders on the Closing Date will be duly qualified for offering to the public in all states of the United States in which the sale of shares of the Funds presently are qualified, and there will be

a sufficient number of such Acquiring Fund Common Shares registered under the 1933 Act and, as may be necessary, with each pertinent state securities commission to permit the transfers contemplated by this Agreement to be consummated.

(q) At or prior to the Closing Date, the Acquiring Fund will have obtained any and all regulatory, board and shareholder approvals necessary to issue the Acquiring Fund Common Shares to the Target Fund Shareholders.

(r) The Acquiring Fund has elected to qualify and has qualified as a regulated investment company ("RIC") within the meaning of Section 851 of the Internal Revenue Code of 1986, as amended (the "Code") for each of its taxable years since its inception, and the Acquiring Fund

has satisfied the distribution requirements imposed by Section 852 of the Code to maintain RIC status for each of its taxable years.

2. REPRESENTATIONS AND WARRANTIES OF THE TARGET FUND.

The Target Fund represents and warrants to, and agrees with, the Acquiring Fund that:

(a) The Target Fund is a statutory trust duly formed, validly existing and in good standing in conformity with the DSTA, and has the power to own all of its assets and to carry out this Agreement. The Target Fund has all necessary federal, state and local authorizations to carry on its business as it is now being conducted and to carry out this Agreement.

(b) The Target Fund is duly registered under the 1940 Act as a [non-]diversified, closed-end management investment

company, and such registration has not been revoked or rescinded and is in full force and effect.

(c) The Target Fund has full power and authority to enter into and perform its obligations under this Agreement subject, in the case of consummation of the Merger, to the approval and adoption of this Agreement by the Target Fund Shareholders as described in Section 8(a) hereof. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action of the Target Fund's Board of Trustees and this Agreement constitutes a valid and binding contract of the Target Fund enforceable against the Target Fund in accordance with its terms, subject to the effects of bankruptcy, insolvency, moratorium,

fraudulent conveyance and similar laws relating to or affecting creditors' rights generally and court decisions with respect thereto.

(d) The Target Fund has provided or made available (including by electronic format) to the Acquiring Fund the most recent audited annual financial statements of the Target Fund which have been prepared in accordance with US GAAP consistently applied and have been audited by Ernst & Young LLP, and such statements fairly present the financial condition and the results of operations of the Target Fund as of the respective dates indicated and the results of operations and changes in net assets for the periods indicated, and there are no liabilities of the Target Fund whether actual or contingent and whether or not

determined or determinable as of such date that are required to be disclosed but are not disclosed in such statements.

(e) An unaudited statement of assets, capital and liabilities of the Target Fund and an unaudited schedule of investments of the Target Fund, each as of the Valuation Time (together, the "Target Fund Closing Financial Statements"), will be provided or made available (including by electronic format) to the Acquiring Fund at or prior to the Closing Date, for the purpose of determining the number of Acquiring Fund Common Shares to be issued to the Target Fund Shareholders pursuant to Section 3 of

this Agreement; the Target Fund Closing Financial Statements will fairly present the financial position of the Target Fund as of the Valuation Time in conformity with US GAAP consistently applied.

(f) There are no material legal, administrative or other proceedings pending or, to the knowledge of the Target Fund, threatened against it which assert liability on the part of the Target Fund or which materially affect its financial condition or its ability to consummate the Merger. The Target Fund is not charged with or, to the best of its knowledge, threatened with any

violation or investigation of any possible violation of any provisions of any federal, state or local law or regulation or administrative ruling relating to any aspect of its business.

(g) There are no material contracts outstanding to which the Target Fund is a party that have not been disclosed in the N-14 Registration Statement or will not otherwise be disclosed to the Acquiring Fund prior to the Valuation Time.

(h) The Target Fund is not obligated under any provision of its agreement and declaration of trust or by-laws, each as amended to the date hereof, or a party to any contract or other commitment or obligation,

and is not subject to any order or decree, which would be violated by its execution of or performance under this Agreement, except insofar as the Funds have mutually agreed to amend such

contract or other commitment or obligation to cure any potential violation as a condition precedent to the Merger.

(i) The Target Fund has no known liabilities of a material amount, contingent or otherwise, other than those shown on the Target Fund's Annual Report for the year ended _____ , those incurred since the date thereof in the ordinary course of its business as an investment company and those incurred in connection with the Merger. As of the Valuation Time, the Target Fund will advise the Acquiring Fund of all known liabilities, contingent or otherwise, whether or not incurred in the ordinary course of business, existing or accrued as of such time, except to the extent disclosed in the Target Fund Closing Financial Statements or to the extent already known by the Acquiring Fund.

(j) At both the Valuation Time and the Closing Date, the Target Fund will have full right, power and authority to sell, assign, transfer and deliver the Target Fund Investments. As used in this Agreement, the term "Target Fund Investments" shall mean (i) the investments of the Target Fund shown on the schedule of its investments as of the Valuation Time furnished to the Acquiring Fund; and (ii) all other assets owned by the Target Fund or liabilities incurred as of the Valuation Time. At the Closing Date, subject only to the obligation to deliver the Target Fund Investments as contemplated by this Agreement, the Target Fund will have good and marketable title to all of the Target Fund Investments, and the Acquiring Fund will acquire all of the Target Fund Investments free and clear of any encumbrances, liens or security interests and without any restrictions upon the transfer thereof (except those imposed by the federal or state securities laws and those imperfections of title or encumbrances as do not materially detract from the value or use of the Target Fund Investments or materially affect title thereto).

(k) No consent, approval, authorization or order of any court or governmental authority is required for the consummation by the Target Fund of the Merger, except such as may be required under the 1933 Act, the 1934 Act and the 1940 Act or state securities laws (which term as used herein shall include the laws of the District of Columbia and Puerto Rico) or the rules of the New York Stock Exchange, each of which will have been obtained on or prior to the Closing Date.

(l) The N-14 Registration Statement, on its effective date, at the time of the Target Fund Shareholders meeting called to vote on this Agreement and on the Closing Date, insofar as it relates to the Target Fund (i) complied or will comply in all material respects with the provisions of the 1933 Act, the 1934 Act and the 1940 Act and

the rules and regulations thereunder and (ii) did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and the Joint Proxy Statement/Prospectus included therein did not or will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading; provided, however, that the representations and warranties in this subsection shall apply only to statements in or omissions from the N-14 Registration Statement made in reliance upon and in conformity with information furnished by the Target Fund for use in the N-14 Registration Statement.

(m) The Target Fund has filed, or intends to file, or has obtained extensions to file, all federal, state and local tax returns which are required to be filed by it, and has paid or has obtained extensions to pay, all federal, state and local taxes shown on said returns to be due and owing and all assessments received by it, up to and including the taxable year in which the Closing Date occurs. All tax liabilities of the Target Fund have been adequately provided for on its books, and no tax deficiency or liability of the Target Fund has been asserted and no question with respect thereto has been raised by the Internal Revenue Service or by any state or local tax authority for taxes in excess of those already paid, up to and including the taxable year in which the Closing Date occurs.

(n) The Target Fund is authorized to issue an unlimited number of common shares of beneficial interest, par value $0.01 per share (the “Target Fund Common Shares”). Each outstanding Target Fund Common Share is fully paid and nonassessable, except as provided by the Target Fund’s agreement and declaration of trust, and has the voting rights provided by the Target Fund’s agreement and declaration of trust and applicable law.

(o) All of the issued and outstanding Target Fund Common Shares were offered for sale and sold in conformity with all applicable federal and state securities laws.

(p) The Target Fund will not sell or otherwise dispose of any of the Acquiring Fund Common Shares to be received in the Merger, except in distribution to Target Fund Shareholders as provided in Section 3 of this Agreement.

(q) The books and records of the Target Fund made available to the Acquiring Fund and/or its counsel are substantially true and correct and contain no material misstatements or omissions with respect to the operations of the Target Fund.

(r) The Target Fund has elected to qualify and has qualified as a RIC within the meaning of Section 851 of the Code for each of its taxable years since its inception, and the Target Fund has satisfied the distribution requirements imposed by Section 852 of the Code to maintain RIC status for each of its taxable years.

3. THE MERGER.

(a) Subject to receiving the requisite approvals of the holders of Target Fund Common Shares ("Target Fund Shareholders") and the Acquiring Fund Shareholders, and to the other terms and conditions contained herein, and in accordance with the Delaware Statutory Trust Act (the "DSTA"), at the Effective Time (as defined in Section 3(b)) the Target Fund shall be merged with and into the Acquiring Fund, the separate existence of the Target Fund as a Delaware statutory trust and registered investment company shall cease and the Acquiring Fund shall continue as the surviving entity following the Merger. The existence of the Acquiring Fund shall continue unaffected and unimpaired by the Merger and it shall be governed by the DSTA.

(b) Upon the terms and subject to the conditions of this Agreement, on the Closing Date, the parties shall cause the Merger to be consummated by filing a certificate of merger (the "Certificate of Merger") with the Secretary of State of the State of Delaware in accordance with the DSTA. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware, or at such subsequent date or time as the Funds shall agree and specify in the Certificate of Merger (the "Effective Time").

(c) At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of the DSTA. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, except as otherwise provided herein, all the property, rights, privileges, powers and franchises of the Target Fund shall vest in the Acquiring Fund, and all debts, liabilities, obligations, restrictions, disabilities and duties of the Target Fund shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Acquiring Fund.

(d) Prior to the Closing Date, the Target Fund shall declare a dividend or dividends which, together with all such previous dividends, shall have the effect of distributing to its shareholders (i) all of its investment company taxable income to and including the Closing Date, if any (computed without regard to any deduction for dividends paid), (ii) all of its net capital gain, if any, recognized to and including the Closing Date and (iii) the excess of its interest

income excludable from gross income under Section 103(a) of the Code, if any, over its deductions disallowed under Sections 265 and 171(a)(2) of the Code for the period to and including the Closing Date. The Acquiring Fund may pay amounts in respect of such distributions ("UNII Distributions") on behalf of the Target Fund to the Target Fund Shareholders entitled to receive such UNII Distributions after the Closing Date as an agent out of cash or other short-term liquid assets maturing prior to the payment date of the UNII Distributions acquired from the Target Fund in the Merger, segregated for this purpose and maintained in an amount at least equal to the remaining payment obligations in respect of the UNII Distributions.

(e) Pursuant to this Agreement, as soon as practicable, and in no event more than 48 hours, exclusive of Sundays and holidays, after the Closing Date, the Acquiring Fund will issue and deliver Acquiring Fund Common Shares to Target Fund Shareholders in exchange for their Target Fund Common Shares. Such delivery shall be accomplished by the opening of shareholder accounts on the share ledger records of the Acquiring Fund in the names of and in the amounts due to the Target Fund Shareholders based on their respective holdings in the Target Fund as of the Valuation Time.

(f) The Valuation Time shall be at the close of business of the New York Stock Exchange on the business day immediately preceding the Closing Date, or such earlier or later day and time as may be mutually agreed upon in writing by the Funds (the "Valuation Time").

(g) The Target Fund and the Acquiring covenant and agree to dispose of certain assets prior to the Closing Date, but only if and to the extent necessary, so that at Closing, when the Target Fund's assets are added to the Acquiring's portfolio, the resulting portfolio will meet the Acquiring Fund's investment objective, policies and restrictions. Notwithstanding the foregoing, nothing herein will require the Target Fund to dispose of any portion of its assets if, in the reasonable judgment of the Target Fund's Board of Trustees or officers, such disposition would create more than an insignificant risk that the Reorganization would not be treated as a "reorganization" described in Section 368(a) of the Code.

(h) For U.S. federal income tax purposes, the parties to this Agreement intend that (i) the Merger qualify as a reorganization within the meaning of Section 368(a) of the Code, (ii) this Agreement constitutes a plan of reorganization within the meaning of U.S. Treasury Regulations Section 1.368-2(g), and (iii) the parties to this Agreement will each be a party to such reorganization within the meaning of Section 368(b) of the Code.

4. ISSUANCE AND VALUATION OF ACQUIRING FUND COMMON SHARES IN THE MERGER.

(a) Acquiring Fund Common Shares of an aggregate net asset value equal to the aggregate net asset value of the Target Fund Common Shares shall be issued by the Acquiring Fund to Target Fund Shareholders in exchange for all of the Target Fund Common Shares. The aggregate net asset value of such shares shall be determined as set forth below.

(b) The net asset value of the Acquiring Fund and the Target Fund shall be determined as of the Valuation Time in accordance with the regular procedures of the Acquiring Fund, and no formula will be used to adjust the net asset value so determined of any Fund to take into account differences in realized and unrealized gains and losses.

Such valuation and determination shall be made by the Acquiring Fund in cooperation with the Target Fund and shall be confirmed in writing by the Acquiring Fund to the Target Fund. The net asset value per share of the Acquiring Fund Common Shares shall be determined in accordance with such procedures and the Acquiring Fund shall certify the computations involved.

For purposes of determining the net asset value per share of Target Fund Common Shares and the Acquiring Fund Common Shares, the value of the securities held by the applicable Fund plus any cash or other assets (including interest accrued but not yet received) minus all liabilities (including accrued expenses) shall be divided by the total number of Target Fund Common Shares or Acquiring Fund Common Shares, as the case may be, outstanding at such time.

(c) The Acquiring Fund shall issue to Target Fund Shareholder book entry interests for the Acquiring Fund Common Shares registered in the name of each such holder of Target Fund Common Shares on the basis of each such holder's proportionate interest in the aggregate net asset value of the Target Fund Common Shares. With respect to any Target Fund Shareholders holding certificates evidencing ownership of Target Fund Common Shares as of the Closing Date, and subject to the Acquiring Fund being informed thereof in writing by the Target Fund, the Acquiring Fund will not permit such Target Fund Shareholder to receive new book entry interests of the Acquiring Fund Common Shares, until notified by the Target Fund or its agent that such shareholder has surrendered his or her outstanding certificates evidencing ownership of Target Fund Common Shares or, in the event of lost certificates, posted adequate bond. The Target Fund, at its own expense, will request its Target Fund Shareholders to surrender their outstanding certificates evidencing ownership of Target Fund Common Shares or post adequate bond therefor.

(d) No fractional shares of Acquiring Fund Common Shares will be issued to holders of Target Fund Common Shares unless such shares are held in a Dividend Reinvestment Plan account. In lieu thereof, the Acquiring Fund's transfer agent will aggregate all fractional Acquiring Fund Common Shares to be issued in connection with the Merger (other than those issued to a Dividend Reinvestment Plan account) and sell the resulting full shares on the New York Stock Exchange at the current market price for Acquiring Fund Common Shares for the account of all holders of such fractional interests, and each such holder will receive such holder's pro rata share of the proceeds of such sale upon surrender of such holder's certificates representing Acquiring Fund Common Shares.

5. PAYMENT OF EXPENSES.

(a) The Target Fund and the Acquiring Fund and any other closed-end investment company that merges with and into the Acquiring Fund on or about the Closing Date (for purposes of this Section 5(a) only, a "Fund") will bear expenses incurred in connection with the Merger, including but not limited to, costs related to the preparation and distribution of materials distributed to each Fund's Board of Trustees, expenses incurred in connection with the preparation of the Agreement and Plan of Merger, the preparation and filing of any documents required by such Fund's state of organization, the preparation and filing of the N-14 Registration Statement with the U.S. Securities and Exchange Commission ("SEC"), the printing and distribution of the Joint Proxy Statement/Prospectus and any other materials required to be distributed to shareholders, the SEC, state securities commission and secretary of state filing fees and legal and audit fees in connection with the Merger, legal fees incurred preparing each Fund's board materials, attending each Fund's board meetings and preparing the minutes, audit fees associated with each Fund's financial statements, stock exchange fees, transfer agency fees, portfolio transfer taxes (if any) and any similar expenses incurred in connection with the Merger, which will be borne directly by the respective Fund incurring the expense or allocated among the Funds based upon any reasonable methodology approved by the Board of Trustees of the Funds. Neither the Funds nor the investment adviser will pay any expenses of shareholders arising out of or in connection with the Merger.

(b) If for any reason the Merger is not consummated, no party shall be liable to any other party for any damages resulting therefrom, including, without limitation, consequential damages, and each Fund shall be responsible, on a proportionate total assets basis, for all expenses incurred in connection with the Merger.

6. COVENANTS OF THE FUNDS.

(a) COVENANTS OF EACH FUND.

(i) The Target Fund, the Acquiring Fund and the Predecessor Acquiring Fund covenants to operate its business as presently conducted between the date hereof and the Closing Date.

(ii) The Target Fund, the Acquiring Fund and the Predecessor Acquiring Fund agree that by the Closing Date all of its U.S. federal and other tax returns and reports required to be filed on or before such date shall have been filed and all taxes shown as due on said returns either have been paid or adequate liability reserves have been provided for the payment of such taxes.

(iii) The intention of the parties is that the transaction contemplated by this Agreement will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. Neither the Acquiring Fund nor the Target Fund shall take any action or cause any action to be taken (including, without limitation, the filing of any tax return) that is inconsistent with such treatment or results in the failure of the transaction to qualify as a reorganization within the meaning of Section 368(a) of the Code. At or prior to the Closing Date, the Acquiring Fund and the Target Fund will take such action, or cause such action to be taken, as is reasonably necessary to enable Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden"), special counsel to the Funds, to render the tax opinion required herein (including, without limitation, each party's execution of representations reasonably requested by and addressed to Skadden).

(iv) In connection with this covenant, the Funds agree to cooperate with each other in filing any tax return, amended return or claim for refund, determining a liability for taxes or a right to a refund of taxes or participating in or conducting any audit or other proceeding in respect of taxes. The Acquiring Fund agrees to retain for a period of ten (10) years following the Closing Date all returns, schedules and work papers and all material records or other documents relating to tax matters of the Target Fund for each of such Fund's taxable periods ending on or before the Closing Date.

(v) The Target Fund, the Acquiring Fund and the Predecessor Acquiring Fund shall use reasonable efforts to obtain all requisite consents and approvals necessary to consummate the Merger.

(b) COVENANTS OF THE ACQUIRING FUND.

(i) The Acquiring Fund and the Predecessor Acquiring Fund will file the N-14 Registration Statement with the SEC and will use its best efforts to provide that the N-14 Registration Statement becomes effective as promptly as practicable. Each Fund agrees to cooperate fully with the other, and each will furnish to the other the information relating to itself to be set forth in the N-14 Registration Statement as required by the 1933 Act, the 1934 Act and the 1940 Act, and the rules and regulations thereunder and the state securities laws.

(ii) The Acquiring Fund has no plan or intention to sell or otherwise dispose of the Target Fund Investments, except for dispositions made in the ordinary course of business.

(iii) Following the consummation of the Merger, the Acquiring Fund will continue its business as a diversified, closed-end management investment company registered under the 1940 Act.

(iv) The Acquiring Fund and the Predecessor Acquiring Fund shall use reasonable efforts to cause the Acquiring Fund Common Shares to be issued in the Merger to be approved for listing on the New York Stock Exchange prior to the Closing Date.

(v) The Acquiring Fund and the Predecessor Acquiring Fund agree to mail to its shareholders of record entitled to vote at the special meeting of shareholders at which action is to be considered regarding this Agreement, in sufficient time to comply with requirements as to notice thereof, the Joint Proxy Statement/Prospectus which complies in all material respects with the applicable provisions of Section 14(a) of the 1934 Act and Section 20(a) of the 1940 Act, and the rules and regulations, respectively, thereunder.

(c) COVENANTS OF THE TARGET FUND.

(i) The Target Fund agrees that following the consummation of the Merger, it will dissolve in accordance with the DSTA and any other applicable law, it will not make any distributions of any Acquiring Fund Common Shares other than to its shareholders and without first paying or adequately providing for the payment of all of its respective liabilities not assumed by the Acquiring Fund, if any, and on and after the Closing Date it shall not conduct any business except in connection with its termination.

(ii) The Target Fund undertakes that if the Merger is consummated, it will file an application pursuant to Section 8(f) of the 1940 Act for an order declaring that the Target Fund has ceased to be a registered investment company.

(iii) The Target Fund agrees to mail to its shareholders of record entitled to vote at the special meeting of shareholders at which action is to be considered regarding this Agreement, in sufficient time to comply with requirements as to notice thereof, the Joint Proxy Statement/Prospectus which complies in all material respects with the applicable provisions of Section 14(a) of the 1934 Act and Section 20(a) of the 1940 Act, and the rules and regulations, respectively, thereunder.

(iv) After the Closing Date, the Target Fund shall prepare, or cause its agents to prepare, any U.S. federal, state or local tax returns required to be filed by such Target Fund with respect to its final taxable year ending with its complete liquidation and dissolution and for any prior periods or taxable years and further shall cause such tax returns to be duly filed with the appropriate taxing authorities. Notwithstanding the aforementioned provisions of this subsection, any expenses incurred by the Target Fund (other than for payment of taxes) in connection with the preparation and filing of said tax returns after the Closing Date shall be borne by such Target Fund to the extent such expenses have been accrued by such Target Fund in the ordinary course without regard to the Merger; any excess expenses shall be paid from a liability reserve established to provide for the payment of such expenses.

7. CLOSING DATE.

(a) The closing of the Merger (the "Closing") shall occur prior to the opening of the New York Stock Exchange at the offices of Guggenheim Funds Investment Advisers, LLC, 227 West Monroe Street, 7th Floor, Chicago, Illinois 60606, or at such other time or location as may be mutually agreed to by the Funds, on the next full business day following the Valuation Time to occur after the satisfaction or waiver of all of the conditions set forth in Sections 8 and 9 of this Agreement (other than the conditions that relate to actions to be taken, or documents to be delivered at the Closing, it being understood that the occurrence of the Closing shall remain subject to the satisfaction or waiver of such conditions at Closing), or at such other time and date as may be mutually agreed to by the Funds (such date, the "Closing Date").

(b) As soon as practicable after the close of business on the Closing Date, the Target Fund shall deliver or make available to (including by electronic format) the Acquiring Fund a list of the names and addresses of all of the Target Fund Shareholders of record on the Closing Date and the number of Target Fund Common Shares owned by each such Target Fund Shareholder, certified to the best of its knowledge and belief by the transfer agent for the Target Fund Common Shares or by the Target Fund's Chief Executive Officer, President, any Vice President, Chief Financial Officer,

Treasurer or any Assistant Treasurer, or Secretary or any Assistant Secretary.

8. CONDITIONS OF THE TARGET FUND.

The obligations of the Target Fund hereunder shall be subject to the following conditions:

(a) That this Agreement shall have been approved by at least two-thirds of the members of the Board of Trustees of the Target Fund and by the affirmative vote of the Target Fund Shareholders representing a 1940 Act Majority (as defined below) of the outstanding common shares entitled to vote on this Agreement. A "1940 Act Majority" means the affirmative vote of either (i) 67% or more of the shares

present at the meeting, if the holders of more than 50% of the outstanding shares are present or represented by proxy or (ii) more than 50% of the outstanding shares, whichever is less.

(b) That the Acquiring Fund shall have delivered (including in electronic format) to the Target Fund (i) a copy of the resolutions approving this Agreement and the issuance of additional Acquiring Fund Common Shares in connection with the Merger adopted by the Board of Trustees of the Acquiring Fund, (ii) a certificate setting forth the vote of the Acquiring

Fund Shareholders approving the Merger, including the issuance of additional Acquiring Fund Common Shares in connection with the Merger, and (iii) a certificate certifying that the Acquiring Fund has received all requisite consents and approvals necessary to consummate the Merger, each certified by the Acquiring Fund's Secretary.

(c) That the Acquiring Fund shall have provided or made available (including by electronic format) to the Target Fund the Acquiring Fund Closing Financial Statements, together with a schedule of the Acquiring

Fund's investments, all as of the Valuation Time, certified on the Acquiring Fund's behalf by its Chief Executive Officer, President, any Vice President, Chief Financial Officer, Treasurer or any Assistant Treasurer, and a certificate signed by the Acquiring Fund's Chief Executive Officer, President, any Vice President, Chief Financial Officer, Treasurer or any Assistant Treasurer, dated as of the Closing Date, certifying that as of the Valuation Time and as of

the Closing Date there has been no material adverse change in the financial position of the Acquiring Fund since the date of the Acquiring Fund's most recent Annual or Semi-Annual Report, as applicable, other than changes in its portfolio securities since that date or changes in the market value of its portfolio securities.

(d) That the Acquiring Fund shall have furnished to the Target Fund a certificate signed by the Acquiring Fund's Chief Executive Officer, President, any Vice President, Chief Financial Officer, Treasurer or any Assistant Treasurer, dated as of the Closing Date, certifying that, as of the Valuation Time and as of the Closing Date, all representations and warranties of the Acquiring Fund and the Predecessor Acquiring Fund made in this Agreement are true and correct in all material respects with the same effect as if made at and as of such dates, and that the Acquiring Fund and the Predecessor Acquiring Fund has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to each of such dates.

(e) That there shall not be any material litigation pending with respect to the matters contemplated by this Agreement.

(f) That the Target Fund shall have received the opinion of Skadden, special counsel for the Acquiring Fund, dated as of the Closing Date, addressed to the Target Fund, that substantively provides the following:

(i) based solely on its review of a certificate, and a bringdown verification thereof, dated as of the Closing Date, from the Secretary of State of the State of Delaware with respect to the Acquiring Fund's existence and good standing in the State of Delaware, the Acquiring Fund is validly existing and in good standing under the DSTA;

(ii) the Acquiring Fund is registered with the SEC as a closed-end management investment company under the 1940 Act;

(iii) the Acquiring Fund has the statutory trust power and authority to execute, deliver and perform all of its obligations under this Agreement under the DSTA;

(iv) this Agreement has been duly authorized, executed and delivered by all requisite statutory trust action on the part of the Acquiring Fund under the DSTA;

(v) this Agreement constitutes a valid and binding obligation of the Acquiring Fund, enforceable against the Acquiring Fund in accordance with its terms under the laws of the State of Delaware;

(vi) neither the execution and delivery by the Acquiring Fund of this Agreement nor the performance by the Acquiring Fund of its obligations under this Agreement (i) conflicts with the agreement and declaration of trust or by-laws of the Acquiring Fund; (ii) constitutes a material violation of, or a default under, any material contract, agreement, instrument or other document pertaining to, or material to the business or financial condition of, the Acquiring Fund; (iii) contravenes any material judgment, order or decree of courts or other governmental authorities or arbitrators that are material to the business or financial condition of the Acquiring Fund; or (iv) violates the 1940 Act or any law, rule or regulation of the State of Delaware;

(vii) neither the execution and delivery by the Acquiring Fund of this Agreement nor the enforceability of this Agreement against the Acquiring Fund requires the consent, approval, licensing or authorization of, or any filing, recording or registration with, any governmental authority under the 1940 Act or any law, rule or regulation of the State of Delaware, except for those consents, approvals, licenses and authorizations already obtained and those filings, recordings and registrations already made; and

(viii) when the Acquiring Fund Common Shares have been duly entered into the share record books of the Acquiring Fund and issued and delivered to the Target Fund Shareholders in accordance with the terms of this Agreement, the issuance of the Acquiring Fund Common shares will have been duly authorized by all requisite statutory trust action on the part of the Acquiring Fund under the DSTA, and the Acquiring Fund Common Shares will be validly issued and fully paid, and under the DSTA, the Target Fund Shareholders will have no obligation to make further payments for the Acquiring Fund Common Shares or contributions to the Acquiring Fund solely by reason of their ownership of the Acquiring Fund Common Shares (except as provided for in the Acquiring Fund's agreement and declaration of trust or applicable law and except for their obligation to repay any funds wrongfully distributed to them).

(g) That the Target Fund shall have obtained an opinion from Skadden, special counsel for the Acquiring Fund, dated as of the Closing Date, addressed to the Target Fund, that the consummation of the transactions set forth in this Agreement complies with the requirements of a reorganization as described in Section 368(a) of the Code.

(h) That all proceedings taken by the Acquiring Fund and its counsel in connection with the Merger and all documents incidental thereto shall be satisfactory in form and substance to the Target Fund.

(i) That the N-14 Registration Statement shall have become effective under the 1933 Act, and no stop order suspending such effectiveness shall have been instituted or, to the knowledge of the Acquiring Fund, be contemplated by the SEC.

(j) That the redomestication of the Predecessor Acquiring Fund from a Massachusetts business trust to a Delaware statutory trust, which will include the transfer of all of the Predecessor Acquiring Fund's assets and assumption of all of the Predecessor

Acquiring Fund's liabilities by the Acquiring Fund in exchange for the issuance by the Acquiring Fund to the Predecessor Acquiring Fund of shares of beneficial interest of the Acquiring Fund and the distribution of those shares to the Predecessor Acquiring Fund's shareholders (the "Redomestication"), has been approved by a majority of the outstanding voting securities of the Predecessor Acquiring Fund and such Redomestication has been consummated.

9. CONDITIONS OF THE ACQUIRING FUND.

The obligations of the Acquiring Fund hereunder shall be subject to the following conditions:

(a) That this Agreement and the issuance of additional Acquiring Fund Common Shares in connection with the reorganization shall have been

approved by the Board of Trustees of the Acquiring Fund and by the affirmative vote of the Acquiring Fund Shareholders representing a 1940 Act Majority of the outstanding common shares entitled to vote on this Agreement.

(b) That the Target Fund shall have delivered (including in electronic format) to the Acquiring Fund (i) a copy of the resolutions approving this Agreement adopted by the Board of Trustees of the Target Fund, (ii) a certificate setting forth the vote of the Target Fund Shareholders approving the Merger and (iii) a certificate certifying that the Target Fund has received all requisite consents and approvals necessary to consummate the Merger, each certified by the

Target Fund's Secretary.

(c) That the Target Fund shall have provided or made available (including by electronic format) to the Acquiring Fund the Target Fund Closing Financial Statements, together with a schedule of the Target Fund's investments with their respective dates of acquisition and tax costs, all as of the Valuation Time, certified on the Target Fund's behalf by its Chief Executive Officer, President, any Vice President, Chief Financial Officer, Treasurer or any Assistant

Treasurer, and a certificate signed by Target Fund's Chief Executive Officer, President, any Vice President, Chief Financial Officer, Treasurer or any Assistant Treasurer, dated as of the Closing Date, certifying that as of the Valuation Time and as of the Closing Date there has been no material adverse change in the financial position of the Target Fund since the date of the Target Fund's most recent Annual Report or Semi-Annual Report, as applicable, other than changes in the Target Fund Investments since that date or changes in the market value of the Target Fund Investments.

(d) That the Target Fund shall have furnished to the Acquiring Fund a certificate signed by the Target Fund's Chief Executive Officer, President, any Vice President, Chief Financial Officer, Treasurer or any Assistant Treasurer, dated as of the Closing Date, certifying that as of the Valuation Time and as of the Closing Date all representations and warranties of the Target Fund made in this Agreement are true and correct in all material respects with the same effect as if made at and as of such dates and the Target Fund has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to such dates.

(e) That there shall not be any material litigation pending with respect to the matters contemplated by this Agreement.

(f) That the Acquiring Fund shall have received the opinion of Skadden, special counsel for the Target Fund, dated as of the Closing Date, addressed to the Acquiring Fund, that substantively provides the following:

(i) based solely on its review of a certificate, and a bringdown verification thereof, dated as of the Closing Date, from the Secretary of State of the State of Delaware with respect to the Target Fund's existence and good standing in the State of Delaware, the Target Fund is validly existing and in good standing under the DSTA;

(ii) the Target Fund is registered with the SEC as a closed-end management investment company under the 1940 Act;

(iii) the Target Fund has the statutory trust power and authority to execute, deliver and perform all of its obligations under this Agreement under the DSTA;

(iv) this Agreement has been duly authorized, executed and delivered by all requisite statutory trust action on the part of the Target Fund under the DSTA;

(v) this Agreement constitutes a valid and binding obligation of the Target Fund, enforceable against the Target Fund in accordance with its terms under the laws of the State of Delaware;

(vi) neither the execution and delivery by the Target Fund of this Agreement nor the performance by the Target Fund of its obligations under this Agreement (i) conflicts with the agreement and declaration of trust or by-laws of the Target Fund; (ii) constitutes a material violation of, or a default under, any material contract, agreement, instrument or other document pertaining to, or material to the business or financial condition of, the Target Fund; (iii) contravenes any material judgment, order or decree of courts or other governmental authorities or arbitrators that are material to the business or financial condition of the Target Fund; or (iv) violates the 1940 Act or any law, rule or regulation of the State of Delaware; and

(vii) neither the execution and delivery by the Target Fund of this Agreement nor the enforceability of this Agreement against the Target Fund requires the consent, approval, licensing or authorization of, or any filing, recording or registration with, any governmental authority under the 1940 Act or any law, rule or regulation of the State of Delaware except for those consents, approvals, licenses and authorizations already obtained and those filings, recordings and registrations already made.

(g) That the Acquiring Fund shall have obtained an opinion from Skadden, special counsel for the Target Fund, dated as of the Closing Date, addressed to the Acquiring Fund, that the consummation of the transactions set forth in this Agreement complies with the requirements of a reorganization as described in Section 368(a) of the Code.

(h) That all proceedings taken by the Target Fund and its counsel in connection with the Merger and all documents incidental thereto shall be satisfactory in form and substance to the Acquiring Fund.

(i) That the N-14 Registration Statement shall have become effective under the 1933 Act and no stop order suspending such effectiveness shall have been instituted or, to the knowledge of the Target Fund, be contemplated by the SEC.

(j) That prior to the Closing Date, the Target Fund shall have declared a dividend or dividends which, together with all such previous dividends, shall have the effect of distributing to its shareholders (i)

all of its investment company taxable income to and including the Closing Date, if any (computed without regard to any deduction for dividends paid), (ii) all of its net capital gain, if any, recognized to and including the Closing Date and (iii) the excess of its interest income excludable from gross income under Section 103(a) of the Code, if any, over its deductions disallowed under Sections 265 and 171(a)(2) of the Code for the period to and including the Closing Date. The Acquiring Fund may pay amounts in respect of such UNII Distributions on behalf of the Target Fund to the Target Fund Shareholders entitled to receive such UNII Distributions after the Closing Date as an agent out of cash or other short-term liquid assets

maturing prior to the payment date of the UNII Distributions acquired from the Target Fund in the Merger, segregated for this purpose and maintained in an amount at least equal to the remaining payment obligations in respect of the UNII Distributions.

(k) That the Redomestication has been approved by a majority of the outstanding voting securities of the Predecessor Acquiring Fund and such Redomestication has been consummated.

10. TERMINATION, POSTPONEMENT AND WAIVERS.

(a) Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated and the Merger abandoned at any time (whether before or after adoption thereof by the

shareholders of the Target Fund and the Acquiring Fund) prior to the Closing Date, or the Closing Date may be postponed, (i) by mutual consent of the Boards of Trustees of the Acquiring Fund and the Target Fund; (ii) by the Board of Trustees of the Target Fund if any condition of Target Fund's obligations set forth in Section 8 of this Agreement has not been fulfilled or waived by such Board of Trustees; and (iii) by the Board of Trustees of the Acquiring Fund if any condition of the Acquiring Fund's obligations set forth in Section 9 of this Agreement has not been fulfilled or waived by such Board of Trustees.

(b) If the transactions contemplated by this Agreement have not been consummated by May 31, 2017, this

Agreement automatically shall terminate on that date, unless a later date is mutually agreed to by the Boards of Trustees of the Acquiring Fund and the Target Fund.

(c) In the event of termination of this Agreement pursuant to the provisions hereof, the same shall become void and have no further effect, and there shall not be any liability on the part of any Fund or its respective directors, trustees, officers, agents or shareholders in respect of this Agreement other than with respect to Section 11 and payment by each Fund of its respective expenses incurred in connection with the Merger.

(d) At any time prior to the Closing Date, any of the terms or conditions of this Agreement may be waived by the Board of Trustees of the Acquiring Fund or the Target Fund (whichever is entitled to the benefit thereof), if, in the judgment of such Board of Trustees after consultation with its counsel, such action or waiver will not have a material adverse effect on the benefits intended under this Agreement to the shareholders of their respective Fund, on behalf of which such action is taken; provided, however, that in no event shall the receipt of the opinions referred to in Sections 8(g) and 9(g) be waived.

(e) The respective representations and warranties contained in Sections 1 and 2 of this Agreement shall expire with, and be terminated by, the consummation of the Merger, and neither the Funds, nor any of their respective officers, directors, trustees, agents or shareholders shall have any liability with respect to such representations or warranties after the Closing Date. The representations, warranties and covenants of the Predecessor Acquiring Fund contained in this Agreement shall expire with, and be terminated by, the consummation of the Redomestication. This provision shall not protect any officer, director, trustee, agent or shareholder of either of the Funds against any liability to the entity for which that officer, director, trustee, agent or shareholder so acts or to its shareholders, to which that officer, director, trustee, agent or shareholder otherwise would be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of his or her duties in the conduct of such office.

(f) If any order or orders of the SEC with respect to this Agreement shall be issued prior to the Closing Date and shall impose any terms or conditions which are determined by action of the Board of Trustees of the Acquiring Fund and the Target Fund to be acceptable, such terms and conditions shall be binding as if a part of this Agreement without further vote or approval of the Target Fund Shareholders and the Acquiring Fund Shareholders unless such terms and conditions shall result in a change in the method of computing the number of Acquiring Fund Common Shares to be issued to the Target Fund Shareholders, in which event, unless such terms and conditions shall have been included in the proxy solicitation materials furnished to the Target Fund Shareholders prior to the meeting at which the Merger shall have been approved, this Agreement shall not be consummated and shall terminate unless the Target Fund promptly shall call a special meeting of the Target Fund Shareholders at which such conditions so imposed shall be submitted for approval.

11. INDEMNIFICATION.

(a) Each party (an "Indemnitor") shall indemnify and hold the other and its officers, directors, trustees, agents and persons controlled by or controlling any of them (each an "Indemnified Party") harmless from and against any and all losses, damages, liabilities, claims, demands, judgments, settlements, deficiencies, taxes, assessments, charges, costs and expenses of any nature whatsoever (including reasonable attorneys' fees) including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees reasonably incurred by such Indemnified Party in connection with the defense or disposition of any claim, action, suit or other proceeding, whether civil or criminal, before any court or administrative or investigative body in which such Indemnified Party may be or may have been involved as a party or otherwise or with which such Indemnified Party may be or may have been threatened (collectively, the "Losses") arising out of or related to any claim of a breach of any representation, warranty or covenant made herein by the Indemnitor; provided, however, that no Indemnified Party shall be indemnified hereunder against any Losses arising directly from such Indemnified Party's (i) willful misfeasance, (ii) bad faith, (iii) gross negligence or (iv) reckless disregard of the duties involved in the conduct of such Indemnified Party's position.

(b) The Indemnified Party shall use its best efforts to minimize any liabilities, damages, deficiencies, claims, judgments, assessments, costs and expenses in respect of which indemnity may be sought hereunder. The Indemnified Party shall give written notice to Indemnitor within the earlier of ten (10) days of receipt of written notice to the Indemnified Party or thirty (30) days from discovery by the Indemnified Party of any matters which may give rise to a claim for indemnification or reimbursement under this Agreement. The failure to give such notice shall not affect the right of the Indemnified Party to indemnity hereunder unless such failure has materially and adversely affected the rights of the Indemnitor. At any time after ten (10) days from the giving of such notice, the Indemnified Party may, at its option, resist, settle or otherwise compromise, or pay such claim unless it shall have received notice from the Indemnitor that the Indemnitor intends, at the Indemnitor's sole cost and expense, to assume the defense of any such matter, in which case the Indemnified Party shall have the right, at no cost or expense to the Indemnitor, to participate in such defense. If the Indemnitor does not assume the defense of such matter, and in any event until the Indemnitor states in writing that it will assume the defense, the Indemnitor shall pay all costs of the Indemnified Party

arising out of the defense until the defense is assumed; provided, however, that the Indemnified Party shall consult with the Indemnitor and obtain indemnitor's prior written consent to any payment or settlement of any such claim. The Indemnitor shall keep the Indemnified Party fully apprised at all times as to the status of the defense. If the Indemnitor does not assume the defense, the Indemnified Party shall keep the Indemnitor apprised at all times as to the status of the defense. Following indemnification as provided for hereunder, the Indemnitor shall be subrogated to all rights of the Indemnified Party with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made.

12. OTHER MATTERS.

(a) All covenants, agreements, representations and warranties made under this Agreement and any certificates delivered pursuant to this Agreement shall be deemed to have been material and relied upon by each of the parties, notwithstanding any investigation made by them or on their behalf.

(b) All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent by registered mail or certified mail, postage prepaid. Notice to the Target Fund shall be addressed to _____, c/o Guggenheim Funds Investment Advisers, LLC, 227 West Monroe Street, Chicago, Illinois 60606, Attention: Mark E. Mathiasen, Secretary of the Target Fund, or at such other address as the Target Fund may designate by written notice to the Acquiring Fund. Notice to the Acquiring Fund shall be addressed to Guggenheim Enhanced Equity Income Fund, c/o Guggenheim Funds Investment Advisers, LLC, 227 West Monroe Street, Chicago, Illinois 60606, Attention: Mark E. Mathiasen, Secretary of the Acquiring Fund, or at such other address and to the attention of such other person as the Acquiring Fund may designate by written notice to the Target Fund. Any notice shall be deemed to have been served or given as of the date such notice is delivered personally or mailed.

(c) This Agreement supersedes all previous correspondence and oral communications between the Funds regarding the Merger, constitutes the only understanding with respect to the Merger, may not be changed except by a letter of agreement signed by each Fund and shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed in said state.

(d) This Agreement may be amended or modified by the parties hereto prior to the Closing Date, by action taken or authorized by their

respective Boards of Trustees, as applicable, at any time before or after adoption of this Agreement and approval of the Merger by the Target Fund Shareholders or the Acquiring Fund Shareholders, but, after any such adoption and approval, no amendment or modification shall be made which by law requires further approval by such shareholders without such further approval. This Agreement may not be amended or modified except by an instrument in writing signed on behalf of each of the Funds.

(e) This Agreement is not intended to confer upon any person other than the parties hereto (or their respective successors and assigns) any rights, remedies, obligations or liabilities hereunder. If any provision of this Agreement shall be held or made invalid by statute rule, regulation, decision of a tribunal or otherwise, the remainder of this Agreement shall not be affected thereby and, to such extent, the provisions of this Agreement shall be deemed severable provided that this Agreement shall be deemed modified to give effect to the fullest extent permitted under applicable law to the intentions of the party as reflected by this Agreement prior to the invalidity of such provision.

(f) It is expressly agreed that the obligations of the Funds hereunder shall not be binding upon any of their respective directors, trustees, shareholders, nominees, officers, agents, or employees personally, but shall bind only the property of the respective Fund. The execution and delivery of this Agreement has been authorized by the Boards of Trustees of the Acquiring Fund, the Predecessor Acquiring Fund and the Target Fund and signed by an authorized officer of each of the Acquiring Fund, the Predecessor Acquiring Fund and the Target Fund, acting as such, and neither such authorization by such Board of Trustees nor such execution and delivery by such officer shall be deemed to have been made by any of them individually or to impose any liability on any of them personally, but shall bind only the trust property of each Fund.

(g) This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original but all such counterparts together shall constitute but one instrument.

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IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed and delivered by their duly authorized officers as of the day and year first written above.

GUGGENHEIM ENHANCED EQUITY INCOME FUND, a Delaware statutory trust

By: _____
Name: Mark E. Mathiasen
Title: Secretary

GUGGENHEIM ENHANCED EQUITY INCOME FUND, a Massachusetts business trust

By: _____
Name: Mark E. Mathiasen
Title: Secretary

[TARGET FUND]

By: _____
Name: Mark E. Mathiasen
Title: Secretary

EXHIBIT D

COMPARISON OF GOVERNING DOCUMENTS

GPM is a Massachusetts business trust. Under Proposal 1, if approved, GPM will reorganize into a newly formed Delaware statutory trust, referred to herein as GPM Delaware. The following is a discussion of certain provisions of the respective governing documents and governing laws of each Fund, but is not a complete description thereof. This summary is qualified in its entirety by reference to the governing documents of GPM, copies of which are filed or incorporated by reference as an exhibit to the Registration Statement, and the governing documents of GPM Delaware, which are attached as Appendix C to the SAI. GPM and GPM Delaware are each referred to in this Exhibit D as a "Fund" and collectively as the "Funds."

Shares. The Trustees of GPM have the power to issue shares, including preferred shares, without shareholder approval, so long as the issuance is approved by both a majority of the entire Board of Trustees of GPM ("GPM's Board") and 75% of the Continuing Trustees[1]. The governing documents of GPM indicate that the amount of common and preferred shares that GPM Delaware may issue is unlimited.

The Trustees of GPM Delaware have the power to issue shares, including preferred shares, without shareholder approval. The governing documents of GPM indicate that the amount of common and preferred shares that GPM may issue is unlimited. Shares of GPM Delaware have no preemptive rights.

Organization. GPM is organized as a Massachusetts business trust, under the laws of the Commonwealth of Massachusetts. GPM is governed by its Amended and Restated Agreement and Declaration of Trust and its bylaws, each as may be amended, and its business and affairs are managed under the supervision GPM's Board.

GPM Delaware is organized as a Delaware statutory trust pursuant to the Delaware Statutory Trust Act ("DE Statute"). GPM Delaware is governed by its Amended and Restated Agreement and Declaration of Trust and its bylaws, and its business and affairs are managed under the supervision of its Board of Trustees.

Composition of the Board of Trustees. The Boards of Trustees of each Fund are divided into three classes, with the election of each class staggered so that each class is only up for election once every three years.

Shareholder Meetings and Rights of Shareholders to Call a Meeting. The stock exchanges on which GPM's shares are currently, and GPM Delaware's shares will be, listed require annual meetings to elect trustees.

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1 Within the context of GPM's governing documents, "Continuing Trustee" means any member of the Board of Trustees of GPM who (a) has been a member of the Board of Trustees of GPM for a period of at least thirty-six months or (b) was nominated to serve as a member of the Board of Trustees of GPM by a majority of the Continuing Trustees then members of the Board of Trustees of GPM.

The bylaws of GPM authorize the Trustees to call a meeting of the shareholders for the election of Trustees. The bylaws of GPM also authorize a meeting of shareholders for any purpose determined by the Trustees. The bylaws of GPM state that shareholders have no power to call a special meeting of shareholders.

The governing documents for GPM Delaware provide that special meetings of shareholders may be called by a majority of the Trustees or the Chief Executive Officer and shall be called by any Trustee for any proper purpose upon written request of shareholders of GPM Delaware holding in the aggregate not less than 51% of the outstanding shares of GPM Delaware having voting rights on the matter, such request specifying the purpose or purposes for which such meeting is to be called.

Submission of Shareholder Proposals. In addition to federal securities laws, which apply to the Funds and require that certain conditions be met to present any proposal at a shareholder meeting, provisions in the governing documents of the Funds require shareholders to provide advance notice to the Fund in order to present a proposal at a shareholder meeting.

The matters to be considered and brought before an annual or special meeting of shareholders of a Fund are limited to only those matters, including the nomination and election of Trustees, that are properly brought before the meeting. For proposals submitted by shareholders, the bylaws of each Fund contain provisions which require that notice be given to the Fund by an otherwise eligible shareholder in advance of the annual or special shareholder meeting in order for the shareholder to present a proposal at any such meeting and requires shareholders to provide certain information in connection with the proposal. These requirements are intended to provide the Board the opportunity to better evaluate the proposal and provide additional information to shareholders for their consideration in connection with the proposal. Failure to satisfy the requirements of these advance notice provisions means that a shareholder may not be able to present a proposal at the annual or special shareholder meeting.

In general, for nominations and any other proposals to be properly brought before an annual meeting of shareholders by a shareholder of each Fund, written notice must be delivered to the Secretary of the Fund not less than 90 days, nor more than 120 days, prior to the first anniversary of the preceding year’s annual meeting. If the annual meeting is not scheduled to be held within a period that commences 30 days before such anniversary and ends 30 days after such anniversary (an “Other Annual Meeting Date”), the written notice must be delivered by the later of the 90th day prior to the meeting or the 10th day following the public announcement or disclosure of the meeting date provided, however, that if the Other Annual Meeting Date was disclosed in the proxy statement for the prior year’s annual meeting, the dates for receipt of the written notice shall be calculated based on the Other Annual Meeting Date and disclosed in the proxy statement for the prior year’s annual meeting. If the number of Trustees to be elected to the Board

is increased and either all of the nominees for Trustee or the size of the increased Board are not publicly announced or disclosed at least 100 days prior to the first anniversary of the preceding year's annual meeting, written notice will be considered timely if delivered to the Secretary of the Fund no later than the 10th date after such public announcement or disclosure. With respect to the nomination of individuals for election to the Board of Trustees at a special shareholder meeting, written notice must be delivered by a shareholder of the Fund to the Secretary of the Fund or more than 120 days, prior to such special meeting and not less than the later of 90 days prior to such meeting or the 10th day after such meeting is publicly announced or disclosed. Specific information, as set forth in the bylaws, about the nominee, the shareholder making the nomination, and the proposal must also be delivered, and updated as necessary if proposed at an annual meeting, by the shareholder of the Fund. The shareholder or a qualified representative must also appear at the annual or special meeting of shareholders to present about the nomination or proposed business.

Quorum. The governing documents of GPM provide that a quorum will exist if shareholders representing 30% of the outstanding shares entitled to vote are present or represented by proxy, except when a larger quorum is required by applicable law or the requirements of any securities exchange on which shares are listed for trading, in which case the quorum must comply with such requirements.

The governing documents of GPM Delaware provide that a quorum will exist if shareholders representing a majority of the outstanding shares of each class or series or combined class entitled to vote are present at the meeting in person or by proxy.

Number of Votes; Aggregate Voting. The governing documents of the Funds provide that each shareholder is entitled to one vote for each whole share held as to any matter on which the shareholder is entitled to vote, and a proportionate fractional vote for each fractional share held. The Funds do not provide for cumulative voting for the election or removal of Trustees.

The governing documents of GPM generally provide that all share classes vote by class or series of GPM, except as otherwise provided by applicable law, the governing documents or resolution of the Trustees.

The governing documents of GPM Delaware generally provides that all shares are voted as a single class, except when required by applicable law, the governing documents, or when the Trustees have determined that the matter affects the interests of one or more classes, in which case only the shareholders of all such affected classes are entitled to vote on the matter.

Derivative Actions. The Declaration of Trust for GPM states that a shareholder may bring a derivative action on behalf of GPM only if several conditions are met. These conditions include, among other things, a pre-suit demand upon the Board of Trustees of GPM, which demand shall not be excused under any circumstances, including claims of interest on the part of the Board of

Trustees of GPM, unless the plaintiff makes a specific showing that irreparable nonmonetary injury to GPM or a series or class of shares would otherwise result. The Board of Trustees of GPM shall consider such demand within 45 days of its receipt and may, in its sole discretion, submit the matter to a vote of the shareholders.

Shareholders of GPM Delaware have no power to vote as to whether or not a court action, proceeding or claim should or should not be brought or maintained derivatively or as a class action on behalf of GPM Delaware or its shareholders.

Right to Vote. The 1940 Act provides that shareholders of a fund have the power to vote with respect to certain matters: specifically, for the election of trustees, the selection of auditors (under certain circumstances), approval of investment advisory agreements and plans of distribution, and amendments to policies, goals or restrictions deemed to be fundamental. Shareholders also have the right to vote on certain matters affecting a fund or a particular share class thereof under their respective governing documents and applicable state law. The following summarizes the matters on which shareholders have the right to vote as well as the minimum shareholder vote required to approve the matter. For matters on which shareholders of the Funds do not have the right to vote, the Trustees may nonetheless determine to submit the matter to shareholders for approval. Where referenced below, the phrase "1940 Act Majority" means the vote required by the 1940 Act, which is the lesser of (a) 67% or more of the shares present at the meeting, if the holders of more than 50% of a fund's outstanding shares are present or represented by proxy; or (b) more than 50% of a fund's outstanding shares.

Election and Removal of Trustees. The shareholders of GPM are entitled to vote, under certain circumstances, for the election and the removal of Trustees. Subject to the rights of the preferred shareholders, if any, the Trustees of GPM are elected by a plurality vote (i.e., the nominees receiving the greatest number of votes are elected). Any Trustee of GPM may be removed for cause and only by a vote of 75% of the outstanding shares of the class or classes of shares of beneficial interest that elected such Trustee or by written instrument, signed by 75% of the remaining Trustees.

With regard to GPM Delaware, Trustees are elected by the affirmative vote of a majority of the outstanding shares of GPM Delaware present in person or by proxy and entitled to vote at a meeting of the shareholders at which a quorum is present. Trustees of GPM Delaware may be removed for cause only, and not without cause, by action of a majority of the remaining Trustees followed by the holders of at least 75% of the outstanding shares entitled to vote in an election of such Trustee.

Amendment of Governing Documents. For GPM, except that the Trustees may make changes necessary to authorize one or more classes or series of shares, to change the Fund's name, or supply any omission, cure any ambiguity or cure, correct or supplement any defective or inconsistent provision contained in the

Declaration of Trust, the shareholders must vote with respect to any amendment of the Declaration of Trust to the extent provided by the Declaration of Trust. The vote required to amend most provisions is a majority of the shares outstanding and entitled to vote. Amending other provisions, such as those provisions with regard to the merger, dissolution or liquidation, or conversion to an open-end company of GPM, requires the approval of a majority of the trustees and 75% of the Continuing Trustees and the vote of the holders of a majority of the shares outstanding and entitled to vote.

For GPM Delaware, shareholder approval is required to amend the Declaration of Trust, except that the Trustees may make changes necessary to divide the shares into one or more classes or additional classes, or one or more series of any such class or classes, to determine the rights, powers, preferences, limitations and restrictions of any class or series of Shares, to change the name of the Fund or any class or series of shares, to make any change that does not adversely affect the relative rights or preferences of any shareholder, as they may deem necessary, or to comply with applicable law. When shareholder approval is required, the vote needed to effect an amendment is the affirmative vote of not less than a majority of the affected shares. Notwithstanding the foregoing, amending certain provisions, such as those provisions with regard to the merger, dissolution or liquidation, or conversion to an open-end company of GPM Delaware, requires the approval of the majority of the Trustees followed by approval by the affirmative vote of 75% of the class or classes of shareholders so affected, voting separately, or unless such amendment has been approved by 80% of the Trustees, in which case the approval of a 1940 Act Majority shall be required.

For each Fund, the bylaws may be altered, amended, or repealed by the Trustees, without the vote or approval of shareholders, except to the extent that the Declaration of Trust or applicable law requires a vote or consent of Shareholders or a higher vote or consent by the Trustees and/or Continuing Trustees.

Mergers, Reorganizations and Conversions. The governing documents of GPM provide that a merger, consolidation, sale, lease, exchange, mortgage, pledge, transfer or other disposition or conversion to an open-end company requires the affirmative vote of at least 75% of the Trustees and 75% of the shares outstanding and entitled to vote, unless both a majority of the entire Board and 75% of the Continuing Trustees approve such action, in which case no shareholder vote is required, except to the extent required by the 1940 Act or applicable law.

For GPM Delaware, any such merger, consolidation, or sale requires the affirmative vote of two-thirds of the Trustees, followed by approval by a 1940 Act Majority of the outstanding shares entitled to vote. Conversion to an open-end company is required to be approved by at least 75% of the class or classes of shareholders so affected, voting separately, unless such conversion has been approved by 80% of the Trustees, in which case approval by a 1940 Act Majority is required.

Principal Shareholder Transactions. Except to the extent required by applicable law, GPM does not require shareholder vote to approve principal shareholder transactions.

GPM Delaware requires approval by a majority of the Trustees followed by a vote or consent of at least 75% of the shares outstanding and entitled to vote, voting as separate classes, where a principal shareholder of a fund (i.e., any corporation, person or other entity which is the beneficial owner, directly or indirectly, of more than 5% of the fund's outstanding shares) is the party to certain transactions.

Termination of a Trust. GPM may be terminated at any time (i) by vote or consent of Shareholders holding at least 75% of the Shares entitled to vote or (ii) by vote or consent of majority of the entire Board of Trustees and 75% of the Continuing Trustees upon written notice to the Shareholders.

GPM Delaware may be terminated, after approved by a majority of the Trustees, followed by approval by not less than 75% of the Shares of each class or series outstanding and entitled to vote, voting as separate classes or series, unless such resolution has been approved by 80% of the Trustees, in which case approval by a 1940 Act Majority shall be required.

Liability of Shareholders. The Massachusetts statute governing business trusts does not include an express provision relating to the limitation of liability of the shareholders of a Massachusetts business trust. And under Massachusetts law, shareholders could, under certain circumstances, be held personally liable for the obligations of GPM. However, the Declaration of Trust of GPM contains an express disclaimer of shareholder liability for acts or obligations of GPM and requires that notice of such disclaimer be given in each agreement, obligation or instrument entered into or executed by GPM or the Trustees. The Declaration of Trust of GPM also provides for indemnification out of the Fund's property for all loss and expense of any shareholder held personally liable on account of being or having been a shareholder. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which such disclaimer is inoperative or GPM is unable to meet its obligations. Consistent with Section 3803 of the DE Statute, the Declaration of GPM Delaware generally provides that shareholders will not be subject to personal liability for the acts or obligations of GPM Delaware.

Liability of Trustees and Officers. Consistent with the 1940 Act, the governing documents for the Funds generally provide that no Trustee or officer of the Funds is subject to any personal liability in connection with the assets or affairs of the Funds, except for liability arising from his or her own willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of the office ("Disabling Conduct").

Indemnification. GPM generally indemnifies its Trustees and officers (including persons who serve at the Trust's request as directors, officers or trustees of another organization in which the Trust has any interest as a shareholder, creditor or otherwise) to the fullest extent permitted by law against all liability and against all expenses reasonably incurred or paid by them in connection with any claim, action, suit or proceeding in which they become involved as a party or otherwise by virtue of their being or having been a Trustee or officer and against amounts paid or incurred by them in the settlement thereof, except otherwise for Disabling Conduct.

GPM Delaware generally indemnifies every person who is or has been a Trustee or officer of the Trust to the fullest extent permitted by law against any liabilities and expenses reasonably incurred or paid by them in connection with any claim, action, suit or proceeding in which they become involved as a party or otherwise by virtue of their being or having been a Trustee or officer and against amounts paid or incurred by them in the settlement thereof, except with respect to any matter as to which he shall not have acted in good faith in the reasonable belief that his action was in the best interest of the Fund or, in the case of any criminal proceeding, as to which he shall have had reasonable cause to believe that the conduct was unlawful, provided, however, that no indemnified person shall be indemnified hereunder against any liability to any person or any expense of such indemnified person arising by reason of Disabling Conduct.

Choice of Forum. The Declaration of Trust of GPM Delaware, in accordance with Section 3804(e) of the DE Statute, provides that unless GPM Delaware consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of GPM Delaware, (ii) any action asserting a claim of breach of a fiduciary duty owed by any trustee, officer, or employee of GPM Delaware to the Fund or its shareholders, (iii) any action asserting a claim against GPM Delaware or any trustee, officer, or employee of the Fund arising pursuant to any provision of the Delaware Act or the governing documents, or (iv) any action asserting a claim against GPM Delaware or any trustee, officer, or employee of the Fund governed by the internal affairs doctrine of the State of Delaware.

The governing documents of GPM have a similar provision with respect to Massachusetts courts.

EXHIBIT E

COMPARISON OF STATE LAWS

Comparison of Delaware and Massachusetts State Laws

The laws governing Massachusetts business trusts and Delaware statutory trusts have similar effect, but they differ in certain respects. Both the Massachusetts business trust law ("MA Statute") and the Delaware statutory trust act ("DE Statute") permit a trust's governing instrument to contain provisions relating to shareholder rights and removal of trustees, and provide trusts with the ability to amend or restate the trust's governing instruments. However, the MA Statute is silent on many of the salient features of a Massachusetts business trust (a "MA Trust") whereas the DE Statute provides guidance and offers a significant amount of operational flexibility to Delaware statutory trusts (a "DE Trust"). The DE Statute provides that the shareholders and trustees of a Delaware Trust are not liable for obligations of the trust. Under the MA Statute, shareholders and trustees are potentially liable for trust obligations. The DE Statute authorizes the trustees to take various actions without requiring shareholder approval if permitted by a Fund's governing instruments. For example, trustees may have the power to amend the Delaware trust instrument, merge or consolidate a Fund with another entity and to change the Delaware trust's domicile, in each case without a shareholder vote.

The following is a discussion of only certain material differences between the DE Statute and MA Statute, as applicable, and is not a complete description of those documents or law. Further information about each Fund's current trust structure is contained in such Fund's organizational documents and in relevant state law.

Governing Documents/ Governing Body	Delaware Statutory Trust A DE Trust is formed by the filing of a certificate of trust with the Delaware Secretary of State. A DE Trust is an unincorporated association organized under the DE Statute whose operations are governed by its governing document (which may consist of one or more documents). Its business and affairs are managed by or under the direction of one or more trustees. As described in this chart, DE Trusts are granted a significant amount of organizational and operational flexibility. Delaware law makes it easy to obtain needed shareholder approvals, and also permits the management of a DE Trust to take various actions without being required to make state filings or obtain shareholder approval.	Massachusetts Business Trust A MA Trust is created by the trustees' execution of a written declaration of trust. A MA Trust is required to file the declaration of trust with the Secretary of the Commonwealth of Massachusetts and with the clerk of every city or town in Massachusetts where the trust has a usual place of business. A MA Trust is a voluntary association with transferable shares of beneficial interests, organized under the MA Statute. A MA Trust is considered to be a hybrid, having characteristics of both corporations and common law trusts. A MA Trust's operations are governed by a trust document and bylaws. The business and affairs of a MA Trust are managed by or under the direction of a board of trustees. MA Trusts are also granted a significant amount of organizational and operational flexibility. The MA Statute is silent on most of the salient features of MA Trusts, thereby allowing trustees to freely structure the MA Trust. The MA Statute does not specify what information must be contained in the declaration of trust, nor does it require a registered officer or agent for service of process.

	Delaware Statutory Trust	Massachusetts Business Trust
Ownership Shares of Interest	Under both the DE Statute and the MA Statute, the ownership interests in a DE Trust and MA Trust are denominated as “beneficial interests” and are held by “beneficial owners.”	
Series and Classes	Under the DE Statute, the governing document may provide for classes, groups or series of shares, having such relative rights, powers and duties as shareholders set forth in the governing document. Such classes, groups or series may be described in a DE Trust’s governing document or in resolutions adopted by its trustees.	The MA Statute is silent as to any requirements for the creation of such series or classes.
Shareholder Voting Rights	Under the DE Statute, the governing document may set forth any provision relating to trustee and shareholder voting rights, including the withholding of such rights from certain trustees or shareholders. If voting rights are granted, the governing document may contain any provision relating to the exercise of voting rights. No state filing is necessary and, unless required by the governing document, shareholder approval is not needed.	There is no provision in the MA Statute addressing voting by the shareholders of a MA Trust.
Quorum	Under the DE Statute, the governing document may set forth any provision relating to quorum requirements at meetings of shareholders.	There is no provision in the MA Statute addressing quorum requirements at meetings of shareholders of a MA Trust.
Shareholder Meetings	Neither the DE Statute nor the MA Statute mandates an annual shareholders’ meeting.	
Organization at Meetings	Neither the DE Statute nor the MA Statute contain provisions relating to the organization of shareholder meetings.	
Record Dates	Under the DE Statute, the governing document may provide for record dates.	There is no record date provision in the MA Statute.

Qualification and Election of Trustees	Under the DE Statute, the governing documents may set forth the manner in which trustees are elected and qualified.	The MA Statute does not contain provisions relating to the election and qualification of trustees of a MA Trust.

	Delaware Statutory Trust	Massachusetts Business Trust
Removal of Trustees	Under the DE Statute, the governing documents of a DE Trust may contain any provision relating to the removal of trustees; provided, however, that there shall at all times be at least one trustee of a DE Trust.	The MA Statute does not contain provisions relating to the removal of trustees.
Restriction on Transfer	Neither the DE Statute nor the MA Statute contain provisions relating to the ability of a DE Trust or MA Trust, as applicable, to restrict transfers of beneficial interests.	
Preemptive Rights and Redemption of Shares	Under each of the DE Statute and the MA Statute, a governing document may contain any provision relating to the rights, duties and obligations of the shareholders.	
Liquidation Upon Dissolution or Termination Event	Under the DE Statute, a DE Trust that has dissolved shall first pay or make reasonable provision to pay all known claims and obligations, including those that are contingent, conditional and unmatured, and all known claims and obligations for which the claimant is unknown. Any remaining assets shall be distributed to the shareholders or as otherwise provided in the governing document.	The MA Statute has no provisions pertaining to the liquidation of a MA Trust.
Shareholder Liability	Under the DE Statute, except to the extent otherwise provided in the governing document of a DE Trust, shareholders of a DE Trust are entitled	The MA Statute does not include an express provision relating to the limitation of liability of the shareholders of a MA Trust. The shareholders of a MA Trust could potentially be held personally liable for the

to the same limitation of personal liability extended to shareholders of a private corporation organized for profit under the General Corporation Law of the State of Delaware.	obligations of the trust, notwithstanding an express provision in the governing document stating that the shareholders are not personally liable in connection with trust property or the acts, obligations or affairs of the MA Trust.

	Delaware Statutory Trust	Massachusetts Business Trust
Trustee/Director Liability	Subject to the provisions in the governing document, the DE Statute provides that a trustee or any other person managing the DE Trust, when acting in such capacity, will not be personally liable to any person other than the DE Trust or a shareholder of the DE Trust for any act, omission or obligation of the DE Trust or any trustee. To the extent that at law or in equity a trustee has duties (including fiduciary duties) and liabilities to the DE Trust and its shareholders, such duties and liabilities may be expanded or restricted by the governing document.	The MA Statute does not include an express provision limiting the liability of the trustee of a MA Trust. The trustees of a MA Trust could potentially be held personally liable for the obligations of the trust.
Indemnification	Subject to such standards and restrictions as may be contained in the governing document of a DE Trust, the DE Statute authorizes a DE Trust to indemnify and hold harmless any trustee, shareholder or other person from and against any and all claims and demands.	The MA Statute is silent as to the indemnification of trustees, officers and shareholders.

Insurance Neither the DE Statute nor the MA Statute contain provisions regarding insurance.

	Delaware Statutory Trust	
Shareholder Right of Inspection	Under the DE Statute, except to the extent otherwise provided in the governing document of a DE Trust and subject to reasonable standards established by the trustees, each shareholder has the right, upon reasonable demand for any purpose reasonably related to the shareholder's interest as a shareholder, to obtain from the DE Trust certain information regarding the governance and affairs of the DE Trust, including a current list of the name and last known address of each beneficial owner and trustee. In addition, the DE Statute permits the trustees of a DE Trust to keep confidential from shareholders for such period of time as deemed reasonable any information that the trustees in good faith believe would not be in the best interest of the DE Trust to disclose or that could damage the DE Trust or that the DE Trust is required by law or by agreement with a third party to keep confidential.	Massachusetts Business Trust There is no provision in the MA Statute relating to shareholder inspection rights.

Derivative Actions	Delaware Statutory Trust Under the DE Statute, a shareholder may bring a derivative action if trustees with authority to do so have refused to bring the action or if a demand upon the trustees to bring the action is not likely to succeed. A shareholder may bring a derivative action only if the shareholder is a shareholder at the time the action is brought and: (a) was a shareholder at the time of the transaction complained about or (b) acquired the status of shareholder by operation of law or pursuant to the governing document from a person who was a shareholder at the time of the transaction. A shareholder's right to bring a derivative action may be subject to such additional standards and restrictions, if any, as are set forth in the governing document.	Massachusetts Business Trust There is no provision under the MA Statute regarding derivative actions.
Arbitration of Claims	The DE Statute provides flexibility as to providing for arbitration pursuant to the governing documents of a DE Trust.	There is no provision under the MA Statute regarding arbitration.
Amendments to Governing Documents	The DE Statute provides broad flexibility as to the manner of amending and/or restating the governing document of a DE Trust. Amendments to the declaration that do not change the information in the DE Trust's certificate of trust are not required to be filed with the Delaware Secretary of State.	The MA Statute provides broad flexibility as to the manner of amending and/or restating the governing document of a MA Trust. The MA Statute provides that the trustees shall, within thirty days after the adoption of any amendment to the declaration of trust, file a copy with the Secretary of the Commonwealth of Massachusetts and with the clerk of every city or town in Massachusetts where the trust has a usual place of business.

STATEMENT OF ADDITIONAL INFORMATION
RELATING TO THE MERGER OF
GUGGENHEIM ENHANCED EQUITY STRATEGY FUND (“GGE”)
GUGGENHEIM EQUAL WEIGHT ENHANCED EQUITY INCOME FUND (“GEQ”)
GUGGENHEIM ENHANCED EQUITY INCOME FUND (“GPM”)
Dated December 29, 2016

This Statement of Additional Information is available to the shareholders of (i) Guggenheim Enhanced Equity Strategy Fund (“GGE”), (ii) Guggenheim Equal Weight Enhanced Equity Income Fund (“GEQ” and, collectively with GGE, the “Target Funds”) and (iii) Guggenheim Enhanced Equity Income Fund (“GPM” or the “Acquiring Fund” and, collectively with the Target Funds, each, a “Fund”) in connection with the redomestication (the “Redomestication”) and proposed mergers (each a “Merger” and, collectively, the “Mergers”) whereby each Target Fund will merge directly with and into the Acquiring Fund. Each Target Fund will then terminate its registration under the Investment Company Act of 1940 (the “1940 Act”).

The terms “Acquiring Fund” and “GPM” refer to GPM, a Massachusetts business trust, and, where appropriate in the context, GPM as a Delaware statutory trust after the Redomestication. Unless otherwise defined herein, capitalized terms have the meanings given to them in the Joint Proxy Statement/Prospectus.

This Statement of Additional Information is not a prospectus and should be read in conjunction with the Joint Proxy Statement/Prospectus, dated December 29, 2016, relating to the proposed Mergers. A copy of the Joint Proxy Statement/Prospectus may be obtained, without charge, by writing to the Funds at 227 West Monroe Street, 7th Floor, Chicago, Illinois 60606, or by calling (312) 827-0100.

The Acquiring Fund will provide, without charge, upon the written or oral request of any person to whom this Statement of Additional Information is delivered, a copy of any and all documents that have been incorporated by reference in the registration statement of which this Statement of Additional Information is a part.

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OTHER INVESTMENT POLICIES

As discussed in the Joint Proxy Statement/Prospectus, GPM may seek to obtain exposure to equity markets through investments in exchange-traded funds ("ETFs") or other investment funds that track equity market indices, through investments in individual equity securities and/or through synthetic equity exposure through derivative instruments that replicate the economic characteristics of exposure to equity securities or markets. Currently, GPM obtains equity exposure primarily through investments in ETFs. If the Mergers are consummated, it is expected that the Combined Fund will seek equity exposure through a combination of investments in individual equity securities, initially consisting of a portfolio of common stocks included in the Index in equal weight, and investments in ETFs.

Pursuant to its investment policies, in the future the Combined Fund's may seek to obtain a portion of its equity exposure through derivative instruments that replicate the economic characteristics of exposure to equity securities, indices or markets. Derivative instruments through which the Fund may obtain long equity exposure include futures contracts, swap agreements (including, but not limited to, total return swap agreements), and forward contracts. The Fund may engage in derivatives transactions involving instruments traded on exchanges, through clearinghouses or in the over-the-counter market.

Futures Contracts and Options on Futures. The Fund may enter into futures contracts or options on futures for the purchase or sale of securities indices or other financial instruments.

A "sale" of a futures contract (or a "short" futures position) means the assumption of a contractual obligation to deliver the securities underlying the contract at a specified price at a specified future time. A "purchase" of a futures contract (or a "long" futures position) means the assumption of a contractual obligation to acquire the securities underlying the contract at a specified price at a specified future time. Certain futures contracts, including stock and bond index futures, are settled on a net cash payment basis rather than by the sale and delivery of the securities underlying the futures contracts.

No consideration will be paid or received by the Fund upon the purchase or sale of a futures contract. Initially, the Fund will be required to deposit with the broker an amount of cash or cash equivalents equal to approximately 1% to 10% of the contract amount (this amount is subject to change by the exchange or board of trade on which the contract is traded and brokers or members of such board of trade may charge a higher amount). This amount is known as the "initial margin" and is in the nature of a performance bond or good faith deposit on the contract. Subsequent payments, known as "variation margin," to and from the broker will be made daily as the price of the index or security underlying the futures contract fluctuates. At any time prior to the expiration of the futures contract, the Fund may elect to close the position by taking an opposite position, which will operate to terminate its existing position in the contract.

An option on a futures contract gives the purchaser the right, in return for the premium paid, to assume a position in a futures contract at a specified exercise price at any time prior to the expiration of the option. Upon exercise of an option, the delivery of the futures position by the writer of the option to the holder of the option will be accompanied by delivery of the accumulated balance in the writer's futures margin account attributable to that contract, which represents the amount by which the market price of the futures contract exceeds, in the case of a call, or is less than, in the case of a put, the exercise price of the option on the futures contract. The potential loss related to the purchase of an option on futures contracts is limited to the premium paid for the option (plus transaction costs). Because the value of the option purchased is fixed at the point of sale, there are no daily cash payments by the purchaser to reflect changes in the value of the underlying contract; however, the value of the option does change daily and that change would be reflected in the net assets of the Fund. Futures transactions and options on futures must be covered by assets or instruments acceptable under applicable segregation and coverage requirements.

The purchase of a call option on a futures contract is similar in some respects to the purchase of a call option on an individual security. Depending on the pricing of the option compared to either the price of the futures contract upon which it is based or the price of the underlying debt securities, it may or may not be less risky than ownership of the futures contract or underlying debt securities. As with the purchase of futures contracts, when the Fund is not fully invested it may purchase a call option on a futures contract to hedge against a market advance due to declining interest rates.

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The purchase of a put option on a futures contract is similar to the purchase of protective put options on portfolio securities.

Special Risk Considerations Relating to Futures and Options Thereon. Futures and options on futures entail certain risks: no assurance that futures contracts or options on futures can be offset at favorable prices, possible reduction of the yield of the Fund due to the use of hedging, possible reduction in value of both the securities hedged and the hedging instrument, possible lack of liquidity due to daily limits on price fluctuations, imperfect correlation between the contracts and the securities being hedged and losses from investing in futures transactions that are potentially unlimited. The Fund's ability to establish and close out positions in futures contracts and options thereon will be subject to the development and maintenance of liquid markets. Although the Fund generally will purchase or sell only those futures contracts and options thereon for which there appears to be a liquid market, there is no assurance that a liquid market on an exchange will exist for any particular futures contract or option thereon at any particular time. In the event no liquid market exists for a particular futures contract or option thereon in which the Fund maintains a position, it will not be possible to effect a closing transaction in that contract or to do so at a satisfactory price, and the Fund would either have to make or take delivery under the futures contract or, in the case of a written option, wait to sell the underlying securities until the option expires or is exercised or, in the case of a purchased option, exercise the option. In the case of a futures contract or an option thereon that the Fund has written and that the Fund is unable to close, the Fund would be required to maintain margin deposits on the futures contract or option thereon and to make variation margin payments until the contract is closed.

Successful use of futures contracts and options thereon by the Fund is subject to the ability of the Adviser to predict correctly movements in the direction of interest rates. If the Adviser's expectations are not met, the Fund will be in a worse position than if a hedging strategy had not been pursued. For example, if the Fund has hedged against the possibility of an increase in interest rates that would adversely affect the price of securities in its portfolio and the price of such securities increases instead, the Fund will lose part or all of the benefit of the increased value of its securities because it will have offsetting losses in its futures positions. In addition, in such situations, if the Fund has insufficient cash to meet daily variation margin requirements, it may have to sell securities to meet the requirements. These sales may, but will not necessarily, be at increased prices which reflect the rising market. The Fund may have to sell securities at a time when it is disadvantageous to do so.

Additional Risks of Options, Futures Contracts and Options on Futures Contracts and Forward Contracts Traded on Foreign Exchanges. Options, futures contracts and options thereon and forward contracts on securities may be traded on foreign exchanges. Such transactions may not be regulated as effectively as similar transactions in the United States, may not involve a clearing mechanism and related guarantees, and are subject to the risk of governmental actions affecting trading in, or the prices of, foreign securities. The value of such positions also could be adversely affected by (i) other complex foreign political, legal and economic factors, (ii) lesser availability than in the United States of data on which to make trading decisions, (iii) delays in the Fund's ability to act upon economic events occurring in the foreign markets during non-business hours in the United States, (iv) the imposition of different exercise and settlement terms and procedures and margin requirements than in the United States and (v) lesser trading volume. Exchanges on which options, futures and options on futures are traded may impose limits on the positions that the Fund may take in certain circumstances.

Swaps. Swap contracts may be purchased or sold to obtain investment exposure and/or to hedge against fluctuations in securities prices, currencies, commodities, interest rates or market conditions, to change the duration of the overall portfolio or to mitigate default risk. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) on different currencies, securities, baskets of currencies or securities, indices or other instruments, which returns are calculated with respect to a "notional value," i.e., the designated reference amount of exposure to the underlying instruments. The Fund intends to enter into swaps primarily on a net basis, i.e., the two payment streams are netted out, with the Fund receiving or paying, as the case may be, only the net amount of the two payments. The Fund may use swaps for risk management purposes and as a speculative investment.

The net amount of the excess, if any, of the Fund's swap obligations over its entitlements will be maintained in a segregated account by the Fund's custodian. The Adviser generally requires counterparties to have a minimum credit rating of A from Moody's (or comparable rating from another NRSRO) and monitors such rating on an on-going basis. If the other party to a swap contract defaults, the Fund's risk of loss will consist of the net amount of payments that the

Fund is contractually entitled to receive. Under such circumstances, the Fund will have

contractual remedies pursuant to the agreements related to the transaction. Swap instruments are not exchange-listed securities and may be traded only in the over-the-counter market.

Total return swaps are contracts in which one party agrees to make payments of the total return from the designated underlying asset(s), which may consist of securities, baskets of securities, or securities indices, during the specified period, in return for receiving payments equal to a fixed or floating rate of interest or the total return from the other designated underlying asset(s).

Counterparty Risk. The Fund will be subject to credit risk with respect to the counterparties to the derivative contracts entered into by the Fund. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Fund may experience significant delays in obtaining any recovery under the derivative contract in bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances. Concerns about, or a default by, one large market participant could lead to significant liquidity problems for other participants. If a counterparty's credit becomes significantly impaired, multiple requests for collateral posting in a short period of time could increase the risk that the Fund may not receive adequate collateral.

The counterparty risk for cleared derivatives is generally lower than for uncleared over-the-counter derivatives transactions since generally a clearing organization becomes substituted for each counterparty to a cleared derivative contract and, in effect, guarantees the parties' performance under the contract as each party to a trade looks only to the clearing organization for performance of financial obligations under the derivative contract. However, there can be no assurance that a clearing organization, or its members, will satisfy its obligations to the Fund.

Segregation and Cover Requirements. Futures contracts, swaps, caps, floors and collars, options on securities, indices and futures contracts sold by the Fund are generally subject to earmarking and coverage requirements of either the CFTC or the SEC, with the result that, if the Fund does not hold the security or futures contract underlying the instrument, the Fund intends to designate on its books and records on an ongoing basis, cash or liquid securities in an amount at least equal to the Fund's obligations with respect to such instruments. If the Fund acts as the seller of a credit default swap, the Fund will earmark cash or liquid securities in an amount at least equal to the notional value of the swap, less any amounts owed to the Fund under such swap. Such amounts fluctuate as the obligations increase or decrease. The earmarking requirement can result in the Fund maintaining securities positions it would otherwise liquidate, segregating assets at a time when it might be disadvantageous to do so or otherwise restrict portfolio management.

Legislation and Regulation Risk. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which was signed into law in July 2010, has resulted in significant revisions to the U.S. financial regulatory framework. The Dodd-Frank Act covers a broad range of topics, including, among many others, a reorganization of federal financial regulators; a process designed to ensure financial system stability and the resolution of potentially insolvent financial firms; new rules for derivatives trading; the creation of a consumer financial protection watchdog; the registration and regulation of managers of private funds; the regulation of credit rating agencies; and new federal requirements for residential mortgage loans. The regulation of various types of derivative instruments pursuant to the Dodd-Frank Act may adversely affect issuers in which the Fund invests that utilize derivatives strategies for hedging or other purposes. The ultimate impact of the Dodd-Frank Act, and resulting regulation, is not yet certain and issuers in which the Fund invests may also be affected by the new legislation and regulation in ways that are currently unforeseeable.

On December 11, 2015, the SEC published a proposed rule that, if adopted, would change the regulation of the use of derivative instruments and financial commitment transactions by registered investment companies. The SEC sought public comments on numerous aspects of the proposed rule, and as a result the nature of any final regulations is uncertain at this time. Such regulations could limit the implementation of the Fund's use of derivatives and impose additional compliance costs on the Fund, which could have an adverse impact on the Fund.

Amended Commodity Futures Trading Commission ("CFTC") Rule 4.5 permits investment advisers to registered investment companies to claim an exclusion from the definition of "commodity pool operator" under the Commodity Exchange Act ("CEA") with respect to a fund, provided certain requirements are met. In order to permit the Investment

Adviser to claim this exclusion with respect to the Fund, the Fund will limit its transactions in futures, options on futures and swaps (excluding transactions entered into for "bona fide hedging purposes," as

defined under CFTC regulations) such that either: (i) the aggregate initial margin and premiums required to establish its futures, options on futures and swaps do not exceed 5% of the liquidation value of the Fund's portfolio, after taking into account unrealized profits and losses on such positions; or (ii) the aggregate net notional value of its futures, options on futures and swaps does not exceed 100% of the liquidation value of the Fund's portfolio, after taking into account unrealized profits and losses on such positions. Accordingly, the Fund is not subject to regulation under the CEA or otherwise regulated by the CFTC. If the Adviser was unable to claim the exclusion with respect to the Fund, the Adviser would become subject to registration and regulation as a commodity pool operator, which would subject the Adviser and the Fund to additional registration and regulatory requirements and increased operating expenses.

Risk of Failure to Qualify as a RIC. To qualify for the favorable U.S. federal income tax treatment generally accorded to RICs, the Fund must, among other things, derive in each taxable year at least 90% of its gross income from certain prescribed sources, meet certain asset diversification tests and distribute for each taxable year at least 90% of its "investment company taxable income" (generally, ordinary income plus the excess, if any, of net short-term capital gain over net long-term capital loss). If for any taxable year the Fund does not qualify as a RIC, all of its taxable income for that year (including its net capital gain) would be subject to tax at regular corporate rates without any deduction for distributions to shareholders, and such distributions would be taxable as ordinary dividends to the extent of the Fund's current and accumulated earnings and profits.

Fixed Income Securities. To the extent the Fund obtains equity exposure through derivative instruments, the Fund will invest in a portfolio of fixed income securities and cash investments, or in ETFs that invest primarily in fixed income securities and cash investments, to collateralize derivatives positions and to increase investment return. Fixed income securities in which the Fund may invest include debt securities selected from a variety of sectors and credit qualities (principally, investment grade), principally, corporate bonds, participations in and assignments of syndicated bank loans, asset-backed securities (including mortgage-backed securities and structured finance investments), U.S. government and agency securities (including those not backed by the full faith and credit of the U.S. government), mezzanine and preferred securities, commercial paper, zero-coupon bonds, non-registered or restricted securities (consisting of securities originally issued in reliance on Rule 144A and Regulation S), step-up securities (such as step-up bonds) and convertible securities that GPIM believes offer attractive yield and/or capital appreciation potential. The Fund may hold fixed income securities of any duration or maturity. Fixed income securities in which the Fund may invest may pay fixed or variable rates of interest.

Corporate Bonds. Corporate bonds are debt obligations issued by corporations and other business entities. Corporate bonds may be either secured or unsecured. Collateral used for secured debt includes real property, machinery, equipment, accounts receivable, stocks, bonds or notes. If a bond is unsecured, it is known as a debenture. Bondholders, as creditors, have a prior legal claim over common and preferred stockholders as to both income and assets of the corporation for the principal and interest due them and may have a prior claim over other creditors if liens or mortgages are involved. Interest on corporate bonds may be fixed or floating, or the bonds may be zero coupons. Interest on corporate bonds is typically paid semi-annually and is fully taxable to the bondholder. Corporate bonds contain elements of both interest-rate risk and credit risk. The market value of a corporate bond generally may be expected to rise and fall inversely with interest rates and may also be affected by the credit rating of the corporation, the corporation's performance and perceptions of the corporation in the marketplace. Corporate bonds usually yield more than government or agency bonds due to the presence of credit risk. Depending on the nature of the seniority provisions, a senior corporate bond may be junior to other credit securities of the issuer.

Below Investment Grade Securities. Below investment grade securities are those rated below Baa3- by Moody's or below BBB- by S&P or Fitch or, if unrated, judged to be of below investment grade quality by the Adviser. A significant portion of the Fund's portfolio may consist of below investment grade securities. Below investment grade quality securities (commonly referred to as "high yield" or "junk" bonds) involve special risks as compared to securities of investment grade quality. Below investment grade securities may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated securities. The retail secondary market for below investment grade securities may be less liquid than that of higher rated securities. Adverse conditions could make it difficult at times for the Fund to sell certain securities or could result in lower prices than

those used in calculating the Fund's net asset value.

The prices of credit securities generally are inversely related to interest rate changes; however, the price volatility caused by fluctuating interest rates of securities also is inversely related to the coupon of such securities. Accordingly, below investment grade securities may be relatively less sensitive to interest rate changes than higher quality securities of comparable maturity, because of their higher coupon. This higher coupon is what the investor receives in return for bearing greater credit risk. The higher credit risk associated with below investment grade securities potentially can have a greater effect on the value of such securities than may be the case with higher quality issues of comparable maturity, and may be a substantial factor in the Fund's relative net asset value volatility.

The ratings of NRSROs represent their opinions as to the quality of the obligations which they undertake to rate. Ratings are relative and subjective and, although ratings may be useful in evaluating the safety of interest and principal payments, they do not evaluate the market value risk of such obligations. Although these ratings may be an initial criterion for selection of portfolio investments, the Adviser also will independently evaluate these securities and the ability of the issuers of such securities to pay interest and principal. To the extent that the Fund invests in below investment grade securities that have not been rated by an NRSRO, the Fund's ability to achieve its investment objective will be more dependent on the Adviser's credit analysis than would be the case when the Fund invests in rated securities.

Senior Loans. Senior Loans generally hold the most senior position in the capital structure of a business entity (the "Borrower"), are typically secured with specific collateral and have a claim on the assets and/or stock of the Borrower that is senior to that held by subordinated debt holders and stockholders of the Borrower. The proceeds of Senior Loans typically are used to finance leveraged buyouts, recapitalizations, mergers, acquisitions, stock repurchases, refinancings and to finance internal growth and for other corporate purposes. Senior Loans typically have rates of interest which are redetermined daily, monthly, quarterly or semi-annually by reference to a base lending rate, plus a premium or credit spread. These base lending rates are primarily the London Interbank Offered Rate ("LIBOR") and secondarily the prime rate offered by one or more major U.S. banks and the certificate of deposit rate or other base lending rates used by commercial lenders.

Senior Loans typically have a stated term of between five and nine years, and have interest rates which typically are redetermined daily, monthly, quarterly or semi-annually. Longer interest rate reset periods generally increase fluctuations in the Fund's net asset value as a result of changes in market interest rates. The Fund is not subject to any restrictions with respect to the maturity of Senior Loans held in its portfolio. As a result, as short-term interest rates increase, interest payable to the Fund from its investments in Senior Loans should increase, and as short-term interest rates decrease, interest payable to the Fund from its investments in Senior Loans should decrease.

Because of prepayments, the Adviser expects the average life of the Senior Loans in which the Fund invests to be shorter than the stated maturity.

Many Senior Loans in which the Fund will invest may not be rated by an NRSRO, will not be registered with the Securities and Exchange Commission (the "SEC"), or any state securities commission, and will not be listed on any national securities exchange. The amount of public information available with respect to Senior Loans will generally be less extensive than that available for registered or exchange-listed securities. In evaluating the creditworthiness of Borrowers, the Adviser will consider, and may rely in part on, analyses performed by others. Borrowers may have outstanding debt obligations that are rated below investment grade. Certain of the Senior Loans in which the Fund will invest will have been assigned below investment grade ratings by an NRSRO. In the event Senior Loans are not rated, they are likely to be the equivalent of below investment grade quality. Because of the protective features of Senior Loans, the Adviser believes that Senior Loans tend to have more favorable loss recovery rates as compared to more junior types of below investment grade debt obligations. The Adviser does not view ratings as the determinative factor in its investment decisions and relies more upon its credit analysis abilities than upon ratings.

Although the risks associated with Senior Loans are similar to the risks of below investment grade securities, Senior Loans are typically senior and secured in contrast to other below investment grade securities, which are often subordinated and unsecured. Senior Loans' higher standing has historically resulted in generally higher recoveries in the event of a corporate reorganization. In addition, because their interest rates are typically

adjusted for changes in short-term interest rates, Senior Loans generally are subject to less interest rate risk than other below investment grade securities, which are typically fixed rate.

No active trading market may exist for some Senior Loans, and some loans may be subject to restrictions on resale. A secondary market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which may impair the ability to realize full value and thus cause a material decline in the Fund's net asset value. In addition, the Fund may not be able to readily dispose of its Senior Loans at prices that approximate those at which the Fund could sell such loans if they were more widely-traded and, as a result of such illiquidity, the Fund may have to sell other investments or engage in borrowing transactions if necessary to raise cash to meet its obligations. During periods of limited supply and liquidity of Senior Loans, the Fund's yield may be lower.

Although changes in prevailing interest rates can be expected to cause some fluctuations in the value of Senior Loans (due to the fact that floating rates on Senior Loans reset only periodically), the value of Senior Loans is substantially less sensitive to changes in market interest rates than fixed rate instruments. As a result, to the extent the Fund invests in floating-rate Senior Loans, the Fund's portfolio may be less volatile and less sensitive to changes in market interest rates than if the Fund invested in fixed rate obligations. Similarly, a sudden and significant increase in market interest rates may cause a decline in the value of these investments and in the Fund's net asset value. Other factors, including rating downgrades, credit deterioration, a large downward movement in stock prices, a disparity in supply and demand of certain securities or market conditions that reduce liquidity, can reduce the value of Senior Loans and other debt obligations, impairing the Fund's net asset value.

The Fund may purchase and retain in its portfolio a Senior Loan where the Borrower has experienced, or may be perceived to be likely to experience, credit problems, including involvement in or recent emergence from bankruptcy reorganization proceedings or other forms of debt restructuring. Such investments may provide opportunities for enhanced income as well as capital appreciation, although they also will be subject to greater risk of loss. At times, in connection with the restructuring of a Senior Loan either outside of bankruptcy court or in the context of bankruptcy court proceedings, the Fund may determine or be required to accept equity securities or junior debt securities in exchange for all or a portion of a Senior Loan.

Second Lien Loans. Second Lien Loans have many of the same characteristics as Senior Loans, except that Second Lien Loans are junior in priority to first lien obligations. Second Lien Loans typically have variable floating rate interest payments. Accordingly, the risks associated with Second Lien Loans are higher than the risk of loans with first priority over the collateral. In the event of default on a Second Lien Loan, the first priority lien holder has first claim to the underlying collateral of the loan. It is possible that no collateral value would remain for the second priority lien holder and therefore result in a loss of investment to the Fund.

Subordinated Secured Loans. Subordinated Secured Loans are made by public and private corporations and other nongovernmental entities and issuers for a variety of purposes. Subordinated Secured Loans may rank lower in right of payment to one or more Senior Loans and Second Lien Loans of the Borrower. Subordinated Secured Loans typically are secured by a lower priority security interest or lien to or on specified collateral securing the Borrower's obligation under the Loan, and typically have more subordinated protections and rights than Senior Loans and Second Lien Loans. Subordinated Secured Loans may become subordinated in right of payment to more senior obligations of the Borrower issued in the future. Subordinated Secured Loans may have fixed or floating rate interest payments. Because Subordinated Secured Loans may rank lower as to right of payment than Senior Loans and Second Lien Loans of the Borrower, they may present a greater degree of investment risk than Senior Loans and Second Lien Loans but often pay interest at higher rates reflecting this additional risk. Such investments generally are of below investment grade quality. Other than their more subordinated status, such investments have many characteristics and risks similar to Senior Loans and Second Lien Loans discussed above. The Fund may purchase interests in Subordinated Secured Loans through assignments or participations.

Unsecured Loans. Unsecured Loans are loans made by public and private corporations and other nongovernmental entities and issuers for a variety of purposes. Unsecured Loans generally have lower priority in right of payment compared to holders of secured debt of the Borrower. Unsecured Loans are not secured by a security interest or lien to or on specified collateral securing the Borrower's obligation under the loan.

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Unsecured Loans by their terms may be or may become subordinate in right of payment to other obligations of the borrower, including Senior Loans, Second Lien Loans and Subordinated Secured Loans. Unsecured Loans may have fixed or floating rate interest payments. Because Unsecured Loans are subordinate to the secured debt of the borrower, they present a greater degree of investment risk but often pay interest at higher rates reflecting this additional risk. Such investments generally are of below investment grade quality. Other than their subordinated and unsecured status, such investments have many characteristics and risks similar to Senior Loans, Second Lien Loans and Subordinated Secured Loans discussed above. The Fund may purchase interests in Unsecured Loans through assignments or participations.

Loan Participations and Assignments. The Fund may purchase interests in loans through assignments or participations. The Fund may purchase Loans on a direct assignment basis from a participant in the original syndicate of lenders or from subsequent assignees of such interests. If the Fund purchases a Loan on direct assignment, it typically succeeds to all the rights and obligations under the loan agreement of the assigning lender and becomes a lender under the loan agreement with the same rights and obligations as the assigning lender. Investments in Loans on a direct assignment basis may involve additional risks to the Fund. If such Loan is foreclosed, the Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral.

The Fund may also purchase, without limitation, participations in Loans. The participation by the Fund in a lender's portion of a Loan typically will result in the Fund having a contractual relationship only with such lender, not with the Borrower. As a result, the Fund may have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the participation and only upon receipt by such lender of payments from the Borrower. Such indebtedness may be secured or unsecured. Loan participations typically represent direct participations in a loan to a Borrower, and generally are offered by banks or other financial institutions or lending syndicates. The Fund may participate in such syndications, or can buy part of a Loan, becoming a part lender. When purchasing loan participations, the Fund assumes the credit risk associated with the Borrower and may assume the credit risk associated with an interposed bank or other financial intermediary. The participation interests in which the Fund intends to invest may not be rated by any NRSRO. Given the current structure of the markets for loan participations and assignments, the Fund currently expects to treat these securities as illiquid.

Preferred Securities. The Fund may invest in preferred securities. There are two basic types of preferred securities. The first, sometimes referred to as traditional preferred securities, consists of preferred stock issued by an entity taxable as a corporation. The second type, sometimes referred to as trust preferred securities, are usually issued by a trust or limited partnership and represent preferred interests in deeply subordinated debt instruments issued by the corporation for whose benefit the trust or partnership was established.

Traditional Preferred Securities. Traditional preferred securities generally pay fixed or variable rate dividends to investors and generally have a "preference" over common stock in the payment of dividends and the liquidation of a company's assets. This means that a company must pay dividends on preferred stock before paying any dividends on its common stock. In order to be payable, distributions on such preferred securities must be declared by the issuer's board of directors. Income payments on typical preferred securities currently outstanding are cumulative, causing dividends and distributions to accumulate even if not declared by the board of directors or otherwise made payable. In such a case all accumulated dividends must be paid before any dividend on the common stock can be paid. However, some traditional preferred stocks are non-cumulative, in which case dividends do not accumulate and need not ever be paid. Should an issuer of a non-cumulative preferred stock held by the Fund determine not to pay dividends on such stock, the amount of dividends the Fund pays may be adversely affected. There is no assurance that dividends or distributions on the traditional preferred securities in which the Fund invests will be declared or otherwise made payable. In addition to dividends or distributions, preferred securities entitle the holder to receive, in preference to the holders of common stock, a fixed share of the proceeds resulting from liquidation of the issuer. As the holder of preferred securities is exposed to the credit of the issuer, the Fund considers preferred securities to be credit securities. Preferred stockholders usually have no right to vote for corporate directors or on other matters. Shares of traditional preferred securities have a liquidation value that generally equals the original purchase price at the date of issuance. The market value of preferred securities may be affected by favorable and unfavorable

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changes impacting companies in the utilities and financial services sectors, which are prominent issuers of preferred securities, and by actual and anticipated changes in tax laws, such as changes in corporate income tax rates or the "Dividends Received Deduction." Because the claim on an issuer's earnings represented by traditional preferred securities may become onerous when interest rates fall below the rate payable on such securities, the issuer may redeem the securities. Thus, in declining interest rate environments in particular, the Fund's holdings of higher rate-paying fixed rate preferred securities may be reduced and the Fund would be unable to acquire securities of comparable credit quality paying comparable rates with the redemption proceeds.

Trust Preferred Securities. Trust preferred securities are a comparatively new asset class. Trust preferred securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities ~~ch~~aracteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The trust preferred securities market consists of both fixed and variable coupon rate securities that are either perpetual in nature or have stated maturity dates.

Trust preferred securities are typically junior and fully subordinated liabilities of an issuer or the beneficiary of a guarantee that is junior and fully subordinated to the other liabilities of the guarantor. In addition, trust preferred securities typically permit an issuer to defer the payment of income for eighteen months or more without triggering an event of default. Generally, the deferral period is five years or more. Because of their subordinated position in the capital structure of an issuer, the ability to defer payments for extended periods of time without default consequences to the issuer, and certain other features (such as restrictions on common dividend payments by the issuer or ultimate guarantor when full cumulative payments on the trust preferred securities have not been made), these trust preferred securities are often treated as close substitutes for traditional preferred securities, both by issuers and investors. Trust preferred securities have many of the key characteristics of equity due to their subordinated position in an issuer's capital structure and because their quality and value are heavily dependent on the profitability of the issuer rather than on any legal claims to specific assets or cash flows.

Trust preferred securities are typically issued with a final maturity date, although some are perpetual in nature. In certain instances, a final maturity date may be extended and/or the final payment of principal may be deferred at the issuer's option for a specified time without default. No redemption can typically take place unless all cumulative payment obligations have been met, although issuers may be able to engage in open-market repurchases without regard to whether all payments have been paid.

Many trust preferred securities are issued by trusts or other special purpose entities established by operating companies and are not a direct obligation of an operating company. At the time the trust or special purpose entity sells such preferred securities to investors, it purchases debt of the operating company (with terms comparable to those of the trust or special purpose entity securities), which enables the operating company to deduct for tax purposes the interest paid on the debt held by the trust or special purpose entity. The trust or special purpose entity is generally required to be treated as transparent for U.S. federal income tax purposes such that the holders of the trust preferred securities are treated as owning beneficial interests in the underlying debt of the operating company. Accordingly, payments on the trust preferred securities are treated as interest rather than dividends for U.S. federal income tax purposes and, as such, are not eligible for the Dividends Received Deduction. The trust or special purpose entity in turn would be a holder of the operating company's debt and would have priority with respect to the operating company's earnings and profits over the operating company's common shareholders, but would typically be subordinated to other classes of the operating company's debt. Typically a preferred share has a rating that is slightly below that of its corresponding operating company's senior debt securities.

Convertible Securities. Convertible securities consist of bonds, debentures, notes, preferred stocks and other securities that entitle the holder to acquire common stock or other equity securities of the issuer. Convertible securities have general characteristics similar to both debt and equity securities. A convertible security generally entitles the holder to receive interest or preferred dividends paid or accrued until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities have characteristics similar to non-convertible debt obligations. Convertible securities rank senior to common stock in a corporation's capital structure and, therefore, generally entail less risk than the corporation's common stock,

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although the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a debt obligation. A convertible security may be subject to redemption at the option of the issuer at a predetermined price. If a convertible security held by the Fund is called for redemption, the Fund would be required to permit the issuer to redeem the security and convert it to underlying common stock, or would sell the convertible security to a third party, which may have an adverse effect on the Fund's ability to achieve its investment objective. The price of a convertible security often reflects variations in the price of the underlying common stock in a way that non-convertible debt may not. The value of a convertible security is a function of (i) its yield in comparison to the yields of other securities of comparable maturity and quality that do not have a conversion privilege and (ii) its worth if converted into the underlying common stock.

Mortgage-Backed Securities. MBS are structured debt obligations collateralized by pools of commercial or residential mortgages. Pools of mortgage loans and mortgage-backed loans such as mezzanine loans are assembled as securities for sale to investors by various governmental, government-related and private organizations. MBS consist of complex instruments such as collateralized mortgage obligations ("CMOs"), stripped MBS, mortgage pass-through securities, interests in real estate mortgage investment conduits ("REMICs"), real estate investment trusts ("REITs") that invest the majority of their assets in real property mortgages and which generally derive income primarily from interest payments thereon, and other securities that provide exposure to mortgages. MBS in which the Fund may invest may have fixed, floating or variable interest rates, interest rates that change based on multiples of changes in a specified index of interest rates or interest rates that change inversely to changes in interest rates, or may not bear interest. The Fund may invest in RMBS and CMBS, issued by governmental entities and private issuers. The Fund may invest in subordinated MBS and residual interest in MBS. The Fund may invest in sub-prime mortgages or MBS that are backed by sub-prime mortgages. Additional information regarding types of MBS that the Fund may invest in are described below.

RMBS. RMBS are securities the payments on which depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) primarily on the cash flow from residential mortgage loans made to borrowers that are secured (on a first priority basis or second priority basis, subject to permitted liens, easements and other encumbrances) by residential real estate (one- to four-family properties), the proceeds of which are used to purchase real estate and purchase or construct dwellings thereon (or to refinance indebtedness previously so used). Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity. The ability of a borrower to repay a loan secured by residential property is dependent upon the income or assets of the borrower. A number of factors, including a general economic downturn, acts of God, terrorism, social unrest and civil disturbances, may impair a borrower's ability to repay its loans.

Government Agency Securities. The principal U.S. Governmental guarantor of MBS is the Government National Mortgage Association ("GNMA"), which is a wholly owned U.S. Government corporation. 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 mortgages insured by the Federal Housing Administration (the "FHA"), or guaranteed by the Department of Veterans Affairs (the "VA"). MBS issued by GNMA include GNMA Mortgage Pass-Through Certificates (also known as "Ginnie Maes").

Government-Related Securities. Government-related guarantors (i.e., not backed by the full faith and credit of the U.S. Government) include the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"). FNMA and FHLMC issue pass-through securities guaranteed by the respective entity, but not backed by the full faith and credit of the U.S. Government. MBS issued by FNMA) include FNMA Guaranteed Mortgage Pass-Through Certificates (also known as "Fannie Maes"). MBS issued by FHLMC include FHLMC Mortgage Participation Certificates (also known as "Freddie Macs"). In 2008, the Federal Housing Finance Agency ("FHFA"), a new independent regulatory agency, placed FNMA and FHLMC into conservatorship, a statutory process designed to stabilize a troubled institution with the objective of returning the entity to normal business operations. In connection with the conservatorship, the U.S. Treasury entered into a Senior Preferred Stock Purchase

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Agreement with each of FNMA and FHLMC pursuant to which the U.S. Treasury agreed to purchase up to an aggregate of $100 billion of each of FNMA and FHLMC to maintain a positive net worth in each enterprise. In 2009, the U.S. Treasury announced additional financial support for certain governmentally supported entities, including the Federal Home Loan Banks ("FHLBs"), FNMA and FHLMC. FNMA and FHLMC are continuing to operate as going concerns while in conservatorship and each remains liable for all of its obligations, including its guaranty obligations, associated with its MBS. FHFA, as conservator or receiver, has the power to repudiate any contract entered into by FNMA or FHLMC prior to FHFA's appointment as conservator or receiver, as applicable, if FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of FNMA's or FHLMC's affairs.

Private Entity Securities. These MBS are issued by commercial banks, savings and loan institutions, mortgage bankers, private mortgage insurance companies and other non-governmental issuers. Timely payment of principal and interest on MBS backed by pools created by nongovernmental issuers often is supported partially by various forms of insurance or guarantees, including individual loan, title, pool and hazard insurance. The insurance and guarantees are issued by government entities, private insurers and the mortgage poolers. There can be no assurance that the private insurers or mortgage poolers can meet their obligations under the policies, so that if the issuers default on their obligations the holders of the security could sustain a loss. No insurance or guarantee covers the Fund or the price of the Fund's shares. MBS issued by non-governmental issuers generally offer a higher rate of interest than government-agency and government-related securities because there are no direct or indirect government guarantees of payment.

CMBS. CMBS generally are multi-class debt or pass-through certificates secured or backed by mortgage loans on commercial properties. CMBS generally are structured to provide protection to the senior class investors against potential losses on the underlying mortgage loans. This protection generally is provided by having the holders of subordinated classes of securities ("Subordinated CMBS") take the first loss if there are defaults on the underlying commercial mortgage loans. Other protection, which may benefit all of the classes or particular classes, may include issuer guarantees, reserve funds, additional Subordinated CMBS, cross-collateralization and over-collateralization. The Fund may invest in Subordinated CMBS issued or sponsored by commercial banks, savings and loan institutions, mortgage bankers, private mortgage insurance companies and other non-governmental issuers. Subordinated CMBS have no governmental guarantee and are subordinated in some manner as to the payment of principal and/or interest to the holders of more senior MBS arising out of the same pool of mortgages. The holders of Subordinated CMBS typically are compensated with a higher stated yield than are the holders of more senior MBS. On the other hand, Subordinated CMBS typically subject the holder to greater risk than senior CMBS and tend to be rated in a lower rating category, and frequently a substantially lower rating category, than the senior CMBS issued in respect of the same mortgage pool. Subordinated CMBS generally are likely to be more sensitive to changes in prepayment and interest rates and the market for such securities may be less liquid than is the case for traditional debt securities and senior MBS.

Collateralized Mortgage Obligations. A CMO is a multi-class bond backed by a pool of mortgage pass-through certificates or mortgage loans. CMOs may be collateralized by (a) Ginnie Mae, Fannie Mae or Freddie Mac pass-through certificates, (b) unsecuritized mortgage loans insured by the Federal Housing Administration or guaranteed by the Department of Veterans' Affairs, (c) unsecuritized conventional mortgages, (d) other MBS or (e) any combination thereof. Each class of CMOs, often referred to as a "tranche," is issued at a specific coupon rate and has a stated maturity or final distribution date. Principal prepayments on collateral underlying a CMO may cause it to be retired substantially earlier than the stated maturities or final distribution dates. The principal and interest on the underlying mortgages may be allocated among the several classes of a series of a CMO in many ways. One or more tranches of a CMO may have coupon rates which reset periodically at a specified increment over an index, such as LIBOR (or sometimes more than one index). These floating rate CMOs typically are issued with lifetime caps on the coupon rate thereon. The Fund also may invest in inverse floating rate CMOs. Inverse floating rate CMOs constitute a tranche of a CMO with a coupon rate that moves in the reverse direction to an applicable index such as LIBOR. Accordingly, the coupon rate thereon will increase as interest rates decrease. Inverse floating rate CMOs are typically more volatile than fixed or floating rate tranches of CMOs. Many inverse

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floating rate CMOs have coupons that move inversely to a multiple of the applicable indexes. The effect of the coupon varying inversely to a multiple of an applicable index creates a leverage factor. Inverse floaters based on multiples of a stated index are designed to be highly sensitive to changes in interest rates and can subject the holders thereof to extreme reductions of yield and loss of principal. The markets for inverse floating rate CMOs with highly leveraged characteristics at times may be very thin. The Fund's ability to dispose of its positions in such securities will depend on the degree of liquidity in the markets for such securities. It is impossible to predict the amount of trading interest that may exist in such securities, and therefore the future degree of liquidity.

CMO Residuals. CMO residuals are mortgage securities issued by agencies or instrumentalities of the U.S. Government or by private originators of, or investors in, mortgage loans, including savings and loan associations, homebuilders, mortgage banks, commercial banks, investment banks and special purpose entities of the foregoing. The cash flow generated by the mortgage assets underlying a series of a CMO is applied first to make required payments of principal and interest on the CMO and second to pay the related administrative expenses and any management fee of the issuer. The residual in a CMO structure generally represents the interest in any excess cash flow remaining after making the foregoing payments. Each payment of such excess cash flow to a holder of the related CMO residual represents income and/or a return of capital. The amount of residual cash flow resulting from a CMO will depend on, among other things, the characteristics of the mortgage assets, the coupon rate of each class of CMO, prevailing interest rates, the amount of administrative expenses and the prepayment experience on the mortgage assets. In particular, the yield to maturity on CMO residuals is extremely sensitive to prepayments on the related underlying mortgage assets, in the same manner as an interest-only class of stripped MBS (described below). In addition, if a series of a CMO includes a class that bears interest at an variable rate, the yield to maturity on the related CMO residual will also be extremely sensitive to changes in the level of the index upon which interest rate adjustments are based. As described below with respect to stripped MBS, in certain circumstances the Fund may fail to recoup fully its initial investment in a CMO residual. CMO residuals are generally purchased and sold by institutional investors through several investment banking firms acting as brokers or dealers. CMO residuals may, or pursuant to an exemption therefrom, may not, have been registered under the Securities Act of 1933 (the "Securities Act"). CMO residuals, whether or not registered under the Securities Act, may be subject to certain restrictions on transferability.

Stripped MBS. Stripped MBS are created by segregating the cash flows from underlying mortgage loans or mortgage securities to create two or more new securities, each with a specified percentage of the underlying security's principal or interest payments. Mortgage securities may be partially stripped so that each investor class receives some interest and some principal. When securities are completely stripped, however, all of the interest is distributed to holders of one type of security, known as an interest-only security ("IO"), and all of the principal is distributed to holders of another type of security known as a principal-only security ("PO"). Strips can be created in a pass-through structure or as tranches of a CMO. The yields to maturity on IOs and POs are very sensitive to the rate of principal payments (including prepayments) on the related underlying mortgage assets. If the underlying mortgage assets experience greater than anticipated prepayments of principal, the Fund may not fully recoup its initial investment in IOs. Conversely, if the underlying mortgage assets experience less than anticipated prepayments of principal, the yield on POs could be materially and adversely affected.

Sub-Prime Mortgages. Sub-prime mortgages are mortgages rated below "A" by S&P, Moody's or Fitch. Historically, sub-prime mortgage loans have been made to borrowers with blemished (or non-existent) credit records, and the borrower is charged a higher interest rate to compensate for the greater risk of delinquency and the higher costs of ~~lo~~an servicing and collection. Sub-prime mortgages are subject to both state and federal anti-predatory lending statutes that carry potential liability to secondary market purchasers such as the Fund. Sub-prime mortgages have certain characteristics and associated risks similar to below investment grade securities, including a higher degree of credit risk, and certain characteristics and associated risks similar to MBS, including prepayment risk.

Other MBS. MBS, other than those described above, directly or indirectly represent a participation in, or are secured ~~by~~ and payable from, mortgage loans on real property. Such MBS may be equity or debt securities issued by agencies or instrumentalities of the U.S. Government or by private originators of, or

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investors in, mortgage loans, including savings and loan associations, homebuilders, mortgage banks, commercial banks, investment banks, partnerships, trusts and special purpose entities of the foregoing.

Asset-Backed Securities. The Fund's investments in credit securities may include, without limitations, ABS. ABS are a form of structured debt obligation. ABS are payment claims that are securitized in the form of negotiable paper that is issued by a financing company (generally called a special purpose vehicle). Collateral assets brought into a pool according to specific diversification rules. A special purpose vehicle is founded for the purpose of securitizing these payment claims and the assets of the special purpose vehicle are the diversified pool of collateral assets. The special purpose vehicle issues marketable securities which are intended to represent a lower level of risk than an underlying collateral asset individually, due to the diversification in the pool. The redemption of the securities issued by the special purpose vehicle takes place out of the cash flow generated by the collected assets. A special purpose vehicle may issue multiple securities with different priorities to the cash flows generated and the collateral assets. The collateral for ABS may include home equity loans, automobile and credit card receivables, boat loans, computer leases, airplane leases, mobile home loans, recreational vehicle loans and hospital account receivables. The Fund may invest in these and other types of ABS that may be developed in the future. There is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities.

CLOs, CDOs and CBOs. All or a portion of the Fund's ABS investments may consist of CLOs, collateralized debt obligations ("CDOs") and collateralized bond obligations ("CBOs"). A CDO is an structured debt security, issued by a financing company (generally called a special purpose vehicle or SPV), that was created to reapportion the risk and return characteristics of a pool of assets, whose underlying collateral is typically a portfolio of Loans, bonds or other debt securities, other structured finance securities and/or synthetic instruments. The SPV is a company founded solely for the purpose of securitizing payment claims. On this basis, marketable securities are issued which, due to the diversification of the underlying risk, generally represent a lower level of risk than the original assets. The redemption of the securities issued by the SPV takes place at maturity out of the cash flow generated by the collateral.

Where the underlying collateral is a portfolio of Loans a CDO is referred to as a CLO. Where the underlying collateral is a portfolio of bonds, a CDO is referred to as a CBO. Investors in CLOs, CDOs and CBOs bear the credit risk of the underlying collateral. The vast majority of CLOs, CDOs and CBOs are actively managed by an independent investment manager.

The key feature of the CLO, CDO or CBO structure is the prioritization of the cash flows from a pool of collateral securities among the several tranches of the CLO, CDO or CBO. Multiple tranches of securities are issued by the CLO, CDO or CBO, offering investors various maturity and credit risk characteristics. Tranches are categorized as senior, mezzanine, and subordinated/equity, according to their degree of risk. The most senior tranche of a CLO, CDO or CBO has the greatest collateralization and pays the lowest interest rate. If there are defaults or the collateral otherwise underperforms, scheduled payments to senior tranches take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those to subordinated/equity tranches. Lower tranches represent lower degrees of credit quality and pay higher interest rates intended to compensate for the attendant risks. The return on the lower tranches is especially sensitive to the rate of defaults in the collateral pool.

The lowest tranche (i.e. the "equity" or "residual" tranche) specifically receives the residual interest payments (i.e., money that is left over after the higher tranches have been paid) rather than a fixed interest rate. CLOs, CDOs or CBOs are subject to the risk of prepayment. The value of CLOs, CDOs or CBOs may be affected by changes in the market's perception of the creditworthiness of the servicing agent for the pool, the originator of the pool, or the financial institution or fund providing the credit support or enhancement.

Other Structured Finance Investments. The Fund may invest in structured notes and other forms of structured finance investments. Structured finance investments are tailored, or packaged, to meet certain financial goals of investors. The Adviser believes that structured finance investments provide attractive risk-adjusted returns, frequent sector rotation opportunities and prospects for adding value through security selection.

Inflation-Indexed Bonds. Inflation-indexed bonds (other than municipal inflation-indexed bonds and certain corporate inflation-indexed bonds) are debt securities the principal value of which is periodically adjusted according to the rate of inflation. If the index measuring inflation falls, the principal value of inflation-indexed

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bonds (other than municipal inflation-indexed bonds and certain corporate inflation-indexed bonds) will be adjusted downward, and consequently the interest payable on these securities (calculated with respect to a smaller principal amount) will be reduced. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds ("TIPS"). For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal. With regard to municipal inflation-indexed bonds and certain corporate inflation-indexed bonds, the inflation adjustment is typically reflected in the semi-annual coupon payment. As a result, the principal value of municipal inflation-indexed bonds and such corporate inflation-indexed bonds does not adjust according to the rate of inflation.

The value of inflation-indexed bonds is expected to change in response to changes in real interest rates. Real interest rates are tied to the relationship between nominal interest rates and the rate of inflation. If nominal interest rates increase at a faster rate than inflation, real interest rates may rise, leading to a decrease in value of inflation-indexed bonds. Any increase in the principal amount of an inflation-indexed bond will be considered taxable ordinary income, even though investors do not receive their principal until maturity. See "Tax Matters."

U.S. Government Securities. The Fund may invest in debt securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities, which may consist of: (1) U.S. Treasury obligations, which differ in their interest rates, maturities and times of issuance, such as U.S. Treasury bills (maturity of one year or less), U.S. Treasury notes (maturity of one to ten years), and U.S. Treasury bonds (generally maturities of greater than ten years), including the principal components or the interest components issued by the U.S. Government under the separate trading of registered interest and principal securities program (i.e., "STRIPS"), all of which are backed by the full faith and credit of the United States; and (2) obligations issued or guaranteed by U.S. Government agencies or instrumentalities, including government guaranteed MBS, some of which are backed by the full faith and credit of the U.S. Government, some of which are supported by the right of the issuer to borrow from the U.S. Government, and some of which are backed only by the credit of the issuer itself.

Municipal Securities. The Fund may invest in debt obligations issued by or on behalf of states, territories and possessions of the United States, including the District of Columbia, and their political subdivisions, agencies or instrumentalities. The Fund may invest in various municipal securities, municipal bonds and municipal notes, securities issued to finance and refinance public projects and other related securities and derivative instruments creating exposure to municipal bonds, notes and securities that provide for the payment of interest income that is exempt from regular U.S. federal income tax. Municipal securities are often issued by state and local governmental entities to finance or refinance public projects, such as roads, schools, and water supply systems. Municipal securities also may be issued on behalf of private entities or for private activities, such as housing, medical and educational facility construction, or for privately owned transportation, electric utility and pollution control projects. Municipal securities may be issued on a long-term basis to provide long-term financing. The repayment of such debt may be secured generally by a pledge of the full faith and credit taxing power of the issuer, a limited or special tax, or any other revenue source, including project revenues, which may include tolls, fees and other user charges, lease payments, and mortgage payments. Municipal securities also may be issued to finance projects on a short-term interim basis, anticipating repayment with the proceeds of the later issuance of long-term debt. The Fund may purchase municipal securities in the form of bonds, notes, leases or certificates of participation; structured as callable or non-callable; with payment forms that include fixed coupon, variable rate, zero coupon, capital appreciation bonds, tender option bonds, and residual interest bonds or inverse floating rate securities; or acquired through investments in pooled vehicles, partnerships, or other investment companies.

The Fund may invest in taxable municipal securities, which primarily consist of Build America Bonds ("BABs"). BABs are taxable municipal obligations issued pursuant to legislation providing for the issuance of taxable municipal debt on which the issuer receives federal support of the interest paid. Enacted in February 2009, the American Recovery and Reinvestment Act of 2009 (the "ARRA") authorizes state and local governments to issue taxable bonds on which, assuming certain specified conditions are satisfied, issuers may either (i) receive payments from the U.S. Treasury with respect to the bonds' interest payments ("direct pay" BABs) or (ii) provide tax credits to investors in the bonds ("tax credit" BABs). Pursuant to the ARRA, the issuance of BABs was discontinued on December 31, 2010.

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Sovereign Government And Supranational Debt. The Fund may invest in all types of debt securities of governmental issuers in all countries, including emerging market countries. These sovereign debt securities may consist of: debt securities issued or guaranteed by governments, governmental agencies or instrumentalities and political subdivisions located in emerging market countries; debt securities issued by government owned, controlled or sponsored entities located in emerging market countries; interests in entities organized and operated for the purpose of restructuring the investment characteristics of instruments issued by any of the above issuers; participations in loans between emerging market governments and financial institutions; or debt securities issued by supranational entities such as the World Bank or the European Economic Community. A supranational entity is a bank, commission or company established or financially supported by the national governments of one or more countries to promote reconstruction or development. Sovereign government and supranational debt involve all the risks described herein regarding foreign and emerging markets investments as well as the risk of debt moratorium, repudiation or renegotiation.

Zero-Coupon Bonds, Step-Ups And Payment-In-Kind Securities. Zero-coupon bonds pay interest only at maturity rather than at intervals during the life of the security. Like zero-coupon bonds, “step up” bonds may pay no interest initially but eventually begin to pay a coupon rate prior to maturity, which rate may increase at stated intervals during the life of the security. Payment-in-kind securities (“PIKs”) are debt obligations that pay “interest” in the form of other debt obligations, instead of in cash. These types of instruments may be issued and traded at a deep discount from face value. Zero-coupon bonds, step-ups and PIKs allow an issuer to avoid or delay the need to generate cash to meet current interest payments and, as a result, may involve greater credit risk than bonds that pay interest currently or in cash. The Fund will be required to distribute the income on these instruments as it accrues, even if the Fund does not receive the income on a current basis or in cash. Thus, to the extent the Fund holds these types of instruments, the Fund may have to sell other investments or borrow money, including when it may not be advisable to do so, to make income distributions to its shareholders.

Commercial Paper. Commercial paper represents short-term unsecured promissory notes issued in bearer form by corporations such as banks or bank holding companies, finance companies and other issuers.

Fixed Income Securities Risk. There are also additional risks associated with the Fund will invest in a collateral portfolio of fixed income securities and cash investments, including:

Issuer Risk. The value of securities in which the Fund invests may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage, reduced demand for the issuer’s goods and services, historical and projected earnings, and the value of its assets.

Credit Risk. Credit risk is the risk that one or more debt obligations in the Fund’s portfolio will decline in price, or fail to pay interest or principal when due, because the issuer of the obligation experiences a decline in its financial status. A downgrade of the rating assigned to a credit security by an NRSRO may reduce the value of that security. To the extent the Fund invests in below investment grade securities, it will be exposed to a greater amount of credit risk than a fund which invests in investment grade securities. The prices of lower grade securities are more sensitive to negative developments, such as a decline in the issuer’s revenues or a general economic downturn, than are the prices of higher grade securities. Securities of below investment grade quality are predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal when due and therefore involve a greater risk of default. In addition, to the extent the Fund uses credit derivatives, such use will expose it to additional risks in the event that the bonds underlying the derivatives default.

Interest Rate Risk. Interest rate risk is the risk that credit securities will decline in value because of changes in market interest rates. When market interest rates rise, the market value of credit securities generally will fall. These risks may be greater in the current market environment because interest rates are near historically low levels.

Prevailing interest rates may be adversely impacted by market and economic factors. The Federal Reserve has begun to reduce, with a view toward eventually eliminating, its bond-buying program known as “quantitative easing.” While such tapering is one indicator of the Federal Reserve’s views as to the strength of the U.S. economy, the anticipation of such tapering in the past has led to market volatility, and such anticipation, or actual additional tapering, in the future may lead to additional market volatility and rising interest rates. If interest rates rise the markets may experience increased volatility, which may adversely affect the value and/or

liquidity of certain of the Fund's investments. Increases in interest rates may adversely affect the Fund's ability to achieve its investment objective.

The prices of longer-term securities fluctuate more than prices of shorter-term securities as interest rates change. The Fund's use of leverage, as described below, will tend to increase common share interest rate risk. The Fund may utilize certain strategies for the purpose of reducing the interest rate sensitivity of credit securities held by the Fund and decreasing the Fund's exposure to interest rate risk. The Fund may utilize futures, interest rate swaps and other derivatives transactions to implement these strategies. The Fund is not required to hedge its exposure to interest rate risk and may choose not to do so. In addition, there is no assurance that any attempts by the Fund to reduce interest rate risk will be successful or that any hedges that the Fund may establish will perfectly correlate with movements in interest rates.

The Fund may invest in variable and floating rate debt instruments, which generally are less sensitive to interest rate changes than fixed rate instruments, but may decline in value in response to rising interest rates if, for example, the rates at which they pay interest do not rise as much, or as quickly, as market interest rates in general. Conversely, variable and floating rate instruments generally will not increase in value if interest rates decline. The Fund also may invest in inverse floating rate credit securities, which may decrease in value if interest rates increase, and which also may exhibit greater price volatility than fixed rate credit securities with similar credit quality. To the extent the Fund holds variable or floating rate instruments, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities, which may adversely affect the net asset value of the common shares.

Reinvestment Risk. Reinvestment risk is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called securities at market interest rates that are below the portfolio's current earnings rate. A decline in income could affect the common shares' market price or the overall return of the Fund.

Prepayment Risk. During periods of declining interest rates, borrowers may exercise their option to prepay principal earlier than scheduled, forcing the Fund to reinvest in lower yielding securities. This is known as call or prepayment risk. Below investment grade securities frequently have call features that allow the issuer to redeem the security at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met ("call protection"). An issuer may redeem a below investment grade security if, for example, the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. For premium bonds (bonds acquired at prices that exceed their par or principal value) purchased by the Fund, prepayment risk may be enhanced given that the Fund would lose the potential value of the yield-to-maturity of the bonds in the event they are redeemed at the stated principal amount. Senior Loans and Second Lien Loans typically do not have call protection. The degree to which borrowers prepay Senior Loans and Second Lien Loans, whether as a contractual requirement or at their election, may be affected by general business conditions, the financial condition of the borrower and competitive conditions among Senior Loan and Second Lien Loan investors, among others. For these reasons, prepayments cannot be predicted with accuracy. Upon a prepayment, either in part or in full, the outstanding debt from which the Fund derives interest income will be reduced. The Fund may not be able to reinvest the proceeds received on terms as favorable as the prepaid investment.

Liquidity Risk. The Fund may invest in fixed income securities for which there is no readily available trading market or which are otherwise illiquid. The Fund may invest in privately issued securities of both public and private companies, which may be illiquid. Securities of below investment grade quality tend to be less liquid than investment grade debt securities, and securities of financial distressed or bankrupt issuers may be particularly illiquid.

Valuation Risk. Because the secondary markets for certain investments may be limited, they may be difficult to value. Where market quotations are not readily available or deemed unreliable, the Fund will value such securities in accordance with fair value procedures adopted by the Board of Trustees. Valuation of illiquid securities may require more research than for more liquid investments. In addition, elements of judgment may play a greater role in valuation in such cases than for investments with a more active secondary market because there is less reliable objective data available. A security that is fair valued may be valued at a price higher or lower than the value determined by other funds using their own fair valuation procedures. Prices obtained by the

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Fund upon the sale of such securities may not equal the value at which the Fund carried the investment on its books, which would adversely affect the net asset value of the Fund.

Duration And Maturity Risk. The Fund has no set policy regarding maturity or duration of fixed income securities in which it may invest or of the Fund's portfolio generally. Generally speaking, the longer the duration of the Fund's portfolio, the more exposure the Fund will have to interest rate risk described above.

Below Investment Grade Securities Risk. The Fund may invest in securities rated below investment grade or, if unrated, determined by the Adviser to be of comparable credit quality, which are commonly referred to as "high-yield" or "junk" bonds. Investment in securities of below investment grade quality involves substantial risk of loss. Securities of below investment grade quality are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due and therefore involve a greater risk of default or decline in market value due to adverse economic and issuer-specific developments. Issuers of below investment grade securities are not perceived to be as strong financially as those with higher credit ratings. These issuers are more vulnerable to financial setbacks and recession than more creditworthy issuers, which may impair their ability to make interest and principal payments. Securities of below investment grade quality display increased price sensitivity to changing interest rates and to a deteriorating economic environment. The market values for securities of below investment grade quality tend to be more volatile and such securities tend to be less liquid than investment grade debt securities. To the extent that a secondary market does exist for certain below investment grade securities, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Because of the substantial risks associated with investments in below investment grade securities, you could have an increased risk of losing money on your investment in common shares, both in the short-term and the long-term.

The ratings of Moody's, S&P, Fitch and other NRSROs represent their opinions as to the quality of the obligations which they undertake to rate. Ratings are relative and subjective and, although ratings may be useful in evaluating the safety of interest and principal payments, they do not evaluate the market value risk of such obligations. To the extent that the Fund invests in securities that have not been rated by an NRSRO, the Fund's ability to achieve its investment objectives will be more dependent on the Adviser's credit analysis than would be the case when the Fund invests in rated securities.

Corporate Bond Risk. The market value of a corporate bond may be affected by factors directly related to the issuer, such as investors' perceptions of the creditworthiness of the issuer, the issuer's financial performance, perceptions of the issuer in the market place, performance of management of the issuer, the issuer's capital structure and use of financial leverage and demand for the issuer's goods and services. There is a risk that the issuers of corporate bonds may not be able to meet their obligations on interest or principal payments at the time called for by an instrument. Corporate bonds of below investment grade quality are often high risk and have speculative characteristics and may be particularly susceptible to adverse issuer-specific developments. Corporate bonds of below investment grade quality are subject to the risks described herein under "Risks—Below Investment Grade Securities Risk."

Senior Loans Risk. Senior Loans hold the most senior position in the capital structure of a business entity, are typically secured with specific collateral and have a claim on the assets and/or stock of the Borrower that is senior to that held by subordinated debt holders and stockholders of the Borrower. Senior Loans in which the Fund will invest are generally rated below investment grade or unrated but believed by the Adviser to be of below investment grade quality and are considered speculative because of the credit risk of their issuers.

There is less readily available, reliable information about most Senior Loans than is the case for many other types of securities. In addition, there is no minimum rating or other independent evaluation of a Borrower or its securities limiting the Fund's investments, and the Adviser relies primarily on its own evaluation of a Borrower's credit quality rather than on any available independent sources. As a result, the Fund is particularly dependent on the analytical abilities of the Adviser with respect to investments in Senior Loans. The Adviser's judgment about the credit quality of a Borrower may be wrong.

Issuers of below investment grade Senior Loans are more likely to default on their payments of interest and principal owed to the Fund than issuers of investment grade Senior Loans, and such defaults could reduce the Fund's net asset value and income distributions. An economic downturn generally leads to a higher non-

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payment rate, and a Senior Loan may lose significant value before a default occurs. Moreover, any specific collateral used to secure a Senior Loan may decline in value or become illiquid, which would adversely affect the Senior Loan's value.

No active trading market may exist for certain Senior Loans, which may impair the ability of the Fund to realize full value in the event of the need to sell a Senior Loan and which may make it difficult to value Senior Loans. Adverse market conditions may impair the liquidity of some actively traded Senior Loans, meaning that the Fund may not be able to sell them quickly at a desirable price. To the extent that a secondary market does exist for certain Senior Loans, the market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Illiquid Senior Loans may also be difficult to value.

Although the Senior Loans in which the Fund will invest generally will be secured by specific collateral, there can be no assurance that liquidation of such collateral would satisfy the Borrower's obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated. In the event of the bankruptcy of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Senior Loan. If the terms of a Senior Loan do not require the Borrower to pledge additional collateral in the event of a decline in the value of the already pledged collateral, the Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower's obligations under the Senior Loans. To the extent that a Senior Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose all of its value in the event of the bankruptcy of the Borrower. Such Senior Loans involve a greater risk of loss. Some Senior Loans are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate the Senior Loans to presently existing or future indebtedness of the Borrower or take other action detrimental to lenders, including the Fund. Such court action could under certain circumstances include invalidation of Senior Loans.

Senior Loans are subject to legislative risk. If legislation or state or federal regulations impose additional requirements or restrictions on the ability of financial institutions to make loans, the availability of Senior Loans for investment by the Fund may be adversely affected. In addition, such requirements or restrictions could reduce or eliminate sources of financing for certain Borrowers. This would increase the risk of default. If legislation or federal or state regulations require financial institutions to increase their capital requirements this may cause financial institutions to dispose of Senior Loans that are considered highly levered transactions. Such sales could result in prices that, in the opinion of the Adviser, do not represent fair value. If the Fund attempts to sell a Senior Loan at a time when a financial institution is engaging in such a sale, the price the Fund could receive for the Senior Loan may be adversely affected.

The Fund's investments in Senior Loans may be subject to lender liability risk. Lender liability refers to a variety of legal theories generally founded on the premise that a lender has violated a duty of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the Borrower or has assumed an excessive degree of control over the Borrower resulting in the creation of a fiduciary duty owed to the Borrower or its other creditors or shareholders. Because of the nature of its investments, the Fund may be subject to allegations of lender liability. In addition, under common law principles that in some cases form the basis for lender liability claims, in which a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors.

Economic exposure to Senior Loans through the use of derivatives transactions may involve greater risks than if the Fund had invested in the Senior Loan interest directly during a primary distribution or through assignments or participations in a loan acquired in secondary markets since, in addition to the risks described above, derivatives transactions to gain exposure to Senior Loans may be subject to leverage risk and greater illiquidity risk, counterparty risk, valuation risk and other risks associated with derivatives discussed herein.

Second Lien Loans Risk. Second Lien Loans generally are subject to similar risks as those associated with investments in Senior Loans and below investment grade securities. Because Second Lien Loans are subordinated and thus lower in priority of payment to Senior Loans or other debt instruments with higher priority of the related Borrower, they are subject to the additional risk that the cash flow of the Borrower and property securing the loan or debt, if any, may be insufficient to meet scheduled payments and repayment of principal after giving effect to the

senior secured obligations of the Borrower. This risk is generally higher for subordinated loans or debt which are not backed by a security interest in any specific collateral. Second Lien

Loans generally have greater price volatility than Senior Loans and may be less liquid. Second Lien Loans share the same risks as other below investment grade securities.

Subordinated Secured Loans Risk. Subordinated Secured Loans generally are subject to similar risks as those associated with investment in Senior Loans, Second Lien Loans and below investment grade securities. However, such loans may rank lower in right of payment than any outstanding Senior Loans, Second Lien Loans or other debt instruments with higher priority of the Borrower and therefore are subject to additional risk that the cash flow of the Borrower and any property securing the loan may be insufficient to meet scheduled payments and repayment of principal in the event of default or bankruptcy after giving effect to the higher ranking secured obligations of the Borrower. Subordinated Secured Loans are expected to have greater price volatility than Senior Loans and Second Lien Loans and may be less liquid.

Unsecured Loans Risk. Unsecured Loans generally are subject to similar risks as those associated with investment in Senior Loans, Second Lien Loans, Subordinated Secured Loans and below investment grade securities. However, because Unsecured Loans have lower priority in right of payment to any higher ranking obligations of the Borrower and are not backed by a security interest in any specific collateral, they are subject to additional risk that the cash flow of the Borrower and available assets may be insufficient to meet scheduled payments and repayment of principal after giving effect to any higher ranking obligations of the Borrower. Unsecured Loans are expected to have greater price volatility than Senior Loans, Second Lien Loans and Subordinated Secured Loans and may be less liquid.

Loan Participations and Assignments Risk. The Fund may purchase Loans on a direct assignment basis from a participant in the original syndicate of lenders or from subsequent assignees of such interests. The Fund may also purchase, without limitation, participations in Loans. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, the purchaser's rights can be more restricted than those of the assigning institution, and, in any event, the Fund may not be able to unilaterally enforce all rights and remedies under the loan and with regard to any associated collateral. A participation typically results in a contractual relationship only with the institution participating out the interest, not with the Borrower. In purchasing participations, the Fund generally will have no right to enforce compliance by the Borrower with the terms of the loan agreement against the Borrower, and the Fund may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Fund will be exposed to the credit risk of both the Borrower and the institution selling the participation. Further, in purchasing participations in lending syndicates, the Fund may not be able to conduct the same due diligence on the Borrower with respect to a Senior Loan that the Fund would otherwise conduct. In addition, as a holder of the participations, the Fund may not have voting rights or inspection rights that the Fund would otherwise have if it were investing directly in the Senior Loan, which may result in the Fund being exposed to greater credit or fraud risk with respect to the Borrower or the Senior Loan. Lenders selling a participation and other persons interpositioned between the lender and the Fund with respect to a participation will likely conduct their principal business activities in the banking, finance and financial services industries. Because the Fund may invest in participations, the Fund may be more susceptible to economic, political or regulatory occurrences affecting such industries. Unfunded commitments to purchase loan participations or assignments may have the effect of requiring the Fund to increase its investment in a company at a time when it might not be desirable to do so (including at a time when the company's financial condition makes it unlikely that such amounts will be repaid).

Preferred Securities Risk. Preferred securities may contain provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If the Fund owns a preferred security that is deferring its distributions, the Fund may be required to report income for tax purposes although it has not yet received such income.

Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure in terms of having priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than more senior debt instruments.

Preferred securities may be substantially less liquid than many other securities, such as common stocks or U.S. Government securities.

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Generally, preferred security holders (such as the Fund) have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights. In the case of trust preferred securities, holders generally have no voting rights, except if (i) the issuer fails to pay dividends for a specified period of time or (ii) a declaration of default occurs and is continuing.

In certain varying circumstances, an issuer of preferred securities may redeem the securities prior to a specified date. For instance, for certain types of preferred securities, a redemption may be triggered by certain changes in U.S. federal income tax or securities laws. As with call provisions, a special redemption by the issuer may negatively impact the return of the security held by the Fund.

From time to time, preferred securities, including hybrid-preferred securities, have been, and may in the future be, offered having features other than those described herein. The Fund reserves the right to invest in these securities if the Adviser believes that doing so would be consistent with the Fund's investment objective and policies. Since the market for these instruments would be new, the Fund may have difficulty disposing of them at a suitable price and time. In addition to limited liquidity, these instruments may present other risks, such as high price volatility.

Convertible Securities Risk. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. As with all credit securities, the market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on the basis of yield and maturity and thus may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stock in an issuer's capital structure and consequently entail less risk than the issuer's common stock.

Structured Finance Investments Risk. The Fund's structured finance investments may include RMBS and CMBS issued by governmental entities and private issuers, other ABS and CLOs, CDOs and CBOs, structured notes, credit-linked notes and other types of structured finance securities. Holders of structured finance securities bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk. The Fund may have the right to receive payments only from the issuer of the structured finance security, and generally does not have direct rights against the issuer or the entity that sold the assets to be securitized. While certain structured finance investments enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with directly holding the same securities, investors in structured finance securities generally pay their share of the structured finance security issuer's administrative and other expenses. The prices of indices and securities underlying structured finance securities, and, therefore, the prices of structured finance securities, will be influenced by, and will rise and fall in response to, the same types of political and economic events that affect issuers of securities and capital markets generally. If the issuer of a structured finance security uses shorter term financing to purchase longer term securities, the issuer may be forced to sell its securities at below market prices if it experiences difficulty in obtaining short-term financing, which may adversely affect the value of the structured finance securities owned by the Fund. Certain structured finance securities may be thinly traded or have a limited trading market.

The Fund may invest in structured finance securities collateralized by low grade or defaulted loans or securities. Investments in such structured finance securities are subject to the risks associated with below investment grade securities. Such securities are characterized by high risk. It is likely that an economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities.

The Fund may invest in senior and subordinated classes issued by structured finance vehicles. The payment of cash flows from the underlying assets to senior classes take precedence over those of subordinated classes, and therefore subordinated classes are subject to greater risk. Furthermore, the leveraged nature of subordinated classes may magnify the adverse impact on such class of changes in the value of the assets, changes in the distributions on the assets, defaults and recoveries on the assets, capital gains and losses on the assets, prepayment on assets and availability, price and interest rates of assets.

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Structured finance securities are typically privately offered and sold, and thus are not registered under the securities laws. As a result, investments in structured finance securities may be characterized by the Fund as illiquid securities; however, an active dealer market may exist which would allow such securities to be considered liquid in some circumstances.

MBS Risks. MBS represent an interest in a pool of mortgages. MBS are subject to certain risks: credit risk associated with the performance of the underlying mortgage properties and of the borrowers owning these properties; risks associated with their structure and execution (including the collateral, the process by which principal and interest payments are allocated and distributed to investors and how credit losses affect the return to investors in such MBS); risks associated with the servicer of the underlying mortgages; adverse changes in economic conditions and circumstances, which are more likely to have an adverse impact on MBS secured by loans on certain types of commercial properties than on those secured by loans on residential properties; prepayment risk, which can lead to significant fluctuations in the value of the MBS; loss of all or part of the premium, if any, paid; and decline in the market value of the security, whether resulting from changes in interest rates, prepayments on the underlying mortgage collateral or perceptions of the credit risk associated with the underlying mortgage collateral. The value of MBS may be substantially dependent on the servicing of the underlying pool of mortgages. In addition, the Fund's level of investment in MBS of a particular type or in MBS issued or guaranteed by affiliated obligors, serviced by the same servicer or backed by underlying collateral located in a specific geographic region, may subject the Fund to additional risk.

When market interest rates decline, more mortgages are refinanced and the securities are paid off earlier than expected. Prepayments may also occur on a scheduled basis or due to foreclosure. When market interest rates increase, the market values of MBS decline. At the same time, however, mortgage refinancings and prepayments slow, which lengthens the effective maturities of these securities. As a result, the negative effect of the rate increase on the market value of MBS is usually more pronounced than it is for other types of debt securities and can cause the prices of MBS to be increasingly volatile. The Fund may invest in sub-prime mortgages or MBS that are backed by sub-prime mortgages or defaulted or nonperforming loans.

Moreover, the relationship between prepayments and interest rates may give some high-yielding MBS less potential for growth in value than conventional bonds with comparable maturities. During periods of falling interest rates, the reinvestment of prepayment proceeds by the Fund will generally be at lower rates than the rates that were carried by the obligations that have been prepaid. Because of these and other reasons, MBS's total return and maturity may be difficult to predict precisely. To the extent that the Fund purchases MBS at a premium, prepayments (which may be made without penalty) may result in loss of the Fund's principal investment to the extent of premium paid.

MBS generally are classified as either CMBS or RMBS, each of which are subject to certain specific risks.

Commercial Mortgage-Backed Securities Risk. The market for CMBS developed more recently and, in terms of total outstanding principal amount of issues, is relatively small compared to the market for residential single-family MBS. CMBS are subject to particular risks. CBS are subject to risks associated with lack of standardized terms, shorter maturities than residential mortgage loans and payment of all or substantially all of the principal only at maturity rather than regular amortization of principal. In addition, commercial lending generally is viewed as exposing the lender to a greater risk of loss than residential lending. Commercial lending typically involves larger loans to single borrowers or groups of related borrowers than residential mortgage loans. In addition, the repayment of loans secured by income producing properties typically is dependent upon the successful operation of the related real estate project and the cash flow generated therefrom. Net operating income of an income-producing property can be affected by, among other things: tenant mix, success of tenant businesses, property management decisions, property location and condition, competition from comparable types of properties, changes in laws that increase operating expense or limit rents that may be charged, any need to address environmental contamination at the property, the occurrence of any uninsured casualty at the property, changes in national, regional or local economic conditions and/or specific industry segments, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, change in governmental rules, regulations and fiscal policies, including environmental legislation, acts of God, terrorism, social unrest and civil disturbances.

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Consequently, adverse changes in economic conditions and circumstances are more likely to have an adverse impact on MBS secured by loans on commercial properties than on those secured by loans on residential properties. Additional risks may be presented by the type and use of a particular commercial property. Special risks are presented by hospitals, nursing homes, hospitality properties and certain other property types. Commercial property values and net operating income are subject to volatility, which may result in net operating income becoming insufficient to cover debt service on the related mortgage loan. The exercise of remedies and successful realization of liquidation proceeds relating to CMBS may be highly dependent on the performance of the servicer or special servicer. There may be a limited number of special servicers available, particularly those that do not have conflicts of interest.

Residential Mortgage-Backed Securities Risk. Credit-related risk on RMBS arises from losses due to delinquencies and defaults by the borrowers in payments on the underlying mortgage loans and breaches by originators and servicers of their obligations under the underlying documentation pursuant to which the RMBS are issued. The rate of delinquencies and defaults on residential mortgage loans and the aggregate amount of the resulting losses will be affected by a number of factors, including general economic conditions, particularly those in the area where the related mortgaged property is located, the level of the borrower's equity in the mortgaged property and the individual financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure on the related residential property may be a lengthy and difficult process involving significant legal and other expenses. The net proceeds obtained by the holder on a residential mortgage loan following the foreclosure on the related property may be less than the total amount that remains due on the loan. The prospect of incurring a loss upon the foreclosure of the related property may lead the holder of the residential mortgage loan to restructure the residential mortgage loan or otherwise delay the foreclosure process.

MBS issued by FNMA or FHLMC are guaranteed as to timely payment of principal and interest by FNMA or FHLMC, but are not backed by the full faith and credit of the U.S. Government. In 2008, the FHFA, a new independent regulatory agency, placed FNMA and FHLMC into conservatorship, a statutory process designed to stabilize a troubled institution with the objective of returning the entity to normal business operations. Under the Federal Housing Finance Regulatory Reform Act of 2008 (the "Reform Act"), which was included as part of the Housing and Economic Recovery Act of 2008, FHFA, as conservator or receiver, has the power to repudiate any contract entered into by FNMA or FHLMC prior to FHFA's appointment as conservator or receiver, as applicable, if FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of FNMA's or FHLMC's affairs. FHFA, in its capacity as conservator, has indicated that it has no intention to repudiate the guaranty obligations of FNMA or FHLMC. Further, in its capacity as conservator or receiver, FHFA has the right to transfer or sell any asset or liability of FNMA or FHLMC without any approval, assignment or consent. Although FHFA has stated that it has no present intention to do so, if FHFA, as conservator or receiver, were to transfer any such guaranty obligation to another party, holders of FNMA or FHLMC MBS would have to rely on that party for satisfaction of the guaranty obligation and would be exposed to the credit risk of that party.

Various proposals have been put forth to further reform the U.S. housing and mortgage markets. The Fund and the Adviser cannot predict the future political, regulatory or economic changes that could impact the FNMA, FHLMC and the FHLBs, and the values of their related securities or obligations, and the market for MBS generally.

Legal risks associated with RMBS can arise as a result of the procedures followed in connection with the origination of the mortgage loans or the servicing thereof, which may be subject to various federal and state laws (including, without limitation, predatory lending laws), public policies and principles of equity that regulate interest rates and other charges, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information and debt collection practices and may limit the servicer's ability to collect all or part of the principal of or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it or subject the servicer to damages and sanctions.

Sub-Prime Mortgage Market Risk. The residential mortgage market in the United States has experienced difficulties that may adversely affect the performance and market value of certain mortgages and MBS. Delinquencies and losses on residential mortgage loans (especially sub-prime and second-lien mortgage loans) generally have increased recently and may continue to increase, and a decline in or flattening of housing values

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(as has recently been experienced and may continue to be experienced in many housing markets) may exacerbate such delinquencies and losses. Borrowers with adjustable rate mortgage loans are more sensitive to changes in interest rates, which affect their monthly mortgage payments, and may be unable to secure replacement mortgages at comparably low interest rates. Also, a number of residential mortgage loan originators have experienced serious financial difficulties or bankruptcy. Largely due to the foregoing, reduced investor demand for mortgage loans and MBS and increased investor yield requirements caused limited liquidity in the secondary market for certain MBS, which can adversely affect the market value of MBS. It is possible that such limited liquidity in such secondary markets could continue or worsen. If the economy of the United States deteriorates further, the incidence of mortgage foreclosures, especially sub-prime mortgages, may increase, which may adversely affect the value of any MBS owned by the Fund.

Any increase in prevailing market interest rates, which are currently near historical lows, may result in increased payments for borrowers who have adjustable rate mortgages. Moreover, with respect to hybrid mortgage loans after their initial fixed rate period, interest-only products or products having a lower rate, and with respect to mortgage loans with a negative amortization feature which reach their negative amortization cap, borrowers may experience a substantial increase in their monthly payment even without an increase in prevailing market interest rates. Increases in payments for borrowers may result in increased rates of delinquencies and defaults on residential mortgage loans underlying the RMBS.

The significance of the mortgage crisis and loan defaults in residential mortgage loan sectors led to the enactment of numerous pieces of legislation relating to the mortgage and housing markets. These actions, along with future legislation or regulation, may have significant impacts on the mortgage market generally and may result in a reduction of available transactional opportunities for the Fund or an increase in the cost associated with such transactions and may adversely impact the value of RMBS.

During the mortgage crisis, a number of originators and servicers of residential and commercial mortgage loans, including some of the largest originators and servicers in the residential and commercial mortgage loan market, experienced serious financial difficulties. Such difficulties may affect the performance of non-agency RMBS and CMBS. There can be no assurance that originators and servicers of mortgage loans will not continue to experience serious financial difficulties or experience such difficulties in the future, including becoming subject to bankruptcy or insolvency proceedings, or that underwriting procedures and policies and protections against fraud will be sufficient in the future to prevent such financial difficulties or significant levels of default or delinquency on mortgage loans.

Stripped MBS Risk. Stripped MBS may be subject to additional risks. One type of stripped MBS pays to one class all of the interest from the mortgage assets (the interest only or IO class), while the other class will receive all of the principal (the principal only or PO class). The yield to maturity on an IO class is extremely sensitive to the rate of principal payments (including prepayments) on the underlying mortgage assets, and a rapid rate of principal payments may have a material adverse effect on the Fund's yield to maturity from these securities. If the assets underlying the IO class experience greater than anticipated prepayments of principal, the Fund may fail to recoup fully, or at all, its initial investment in these securities. Conversely, PO class securities tend to decline in value if prepayments are slower than anticipated.

CMO Risk. There are certain risks associated specifically with CMOs. CMOs are debt obligations collateralized by mortgage loans or mortgage pass-through securities. The average life of a CMO is determined using mathematical models that incorporate prepayment assumptions and other factors that involve estimates of future economic and market conditions. Actual future results may vary from these estimates, particularly during periods of extreme market volatility. Further, under certain market conditions, such as those that occurred during the recent downturn in the mortgage markets, the weighted average life of certain CMOs may not accurately reflect the price volatility of such securities. For example, in periods of supply and demand imbalances in the market for such securities and/or in periods of sharp interest rate movements, the prices of CMOs may fluctuate to a greater extent than would be expected from interest rate movements alone. CMOs issued by private entities are not obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities and are not guaranteed by any government agency, although the securities underlying a CMO may be subject to a guarantee. Therefore, if the collateral securing the CMO, as well as

any third party credit support or guarantees, is insufficient to make payments when due, the holder could sustain a loss.

Inverse floating rate CMOs are typically more volatile than fixed or floating rate tranches of CMOs. Many inverse floating rate CMOs have coupons that move inversely to a multiple of an index. The effect of the coupon varying inversely to a multiple of an applicable index creates a leverage factor. Inverse floaters based on multiples of a stated index are designed to be highly sensitive to changes in interest rates and can subject the holders thereof to extreme reductions of yield and loss of principal. The markets for inverse floating rate CMOs with highly leveraged characteristics at times may be very thin. The Fund's ability to dispose of its positions in such securities will depend on the degree of liquidity in the markets for such securities. It is impossible to predict the amount of trading interest that may exist in such securities, and therefore the future degree of liquidity.

ABS Risk. In addition to the general risks associated with credit securities discussed herein and the risks discussed under "Structured Finance Investments Risks," ABS are subject to additional risks. ABS may be particularly sensitive to changes in prevailing interest rates. ABS involve certain risks in addition to those presented by MBS. ABS do not have the benefit of the same security interest in the underlying collateral as MBS and are more dependent on the borrower's ability to pay and may provide the Fund with a less effective security interest in the related collateral than do MBS. Payment of interest and repayment of principal on ABS is largely dependent upon the cash flows generated by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds or other credit enhancements. There is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities, which may result in losses to investors in an ABS transaction. Debtors may be entitled to the protection of a number of state and federal consumer credit laws with respect to the assets underlying ABS, which may give the debtor the right to avoid or reduce payment. The value of ABS held by the Fund also may change because of actual or perceived changes in the creditworthiness of the underlying asset obligors, the originators, the servicing agents, the financial institutions, if any, providing credit support, or swap counterparties in the case of synthetic ABS.

Recently adopted rules implementing credit risk retention requirements for ABS may increase the costs to originators, securitizers and, in certain cases, asset managers of securitization vehicles in which the Fund may invest. Although the impact of these requirements is uncertain, certain additional costs may be passed to the Fund and the Fund's investments in ABS may be adversely affected.

ABS have structure risk due to a unique characteristic known as early amortization, or early payout, risk. Built into the structure of most ABS are triggers for early payout, designed to protect investors from losses. These triggers are unique to each transaction and can include a significant rise in defaults on the underlying collateral, a sharp drop in the credit enhancement level or the bankruptcy of the originator. Once early amortization begins, all incoming loan payments (after expenses are paid) are used to pay investors as quickly as possible based upon a predetermined priority of payment. The values of ABS may be substantially dependent on the servicing of the underlying collateral pools, and ABS are therefore subject to risks associated with the performance by their servicers. Due to their often complicated structures, certain ABS may be difficult to value and may constitute illiquid investments.

The collateral underlying ABS may constitute assets related to a wide range of industries and sectors, such as credit card and automobile receivables and aircraft loans. Credit card receivables are generally unsecured, and the debtors are entitled to the protection of a number of state and federal consumer credit laws, many of which give debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. The Credit CARD Act of 2009 imposes regulations on the ability of credit card issuers to adjust the interest rates and exercise various other rights with respect to indebtedness extended through credit cards. Most issuers of automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related automobile receivables. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the automobile receivables may not have an effective security interest in all of the obligations backing such receivables. Risks associated with aircraft securitizations include but are not limited to risks related to commercial aircraft, the leasing of aircraft by commercial airlines and the commercial aviation industry generally. With respect to any one aircraft, the value of such aircraft can be affected by the particular maintenance and operating history for the aircraft or its components, the model and type of aircraft, the

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jurisdiction of registration (including legal risks, costs and delays in attempting to repossess and export such aircraft following any default under the related loan or lease) and regulatory risk.

CLO, CDO and CBO Risk. In addition to the general risks associated with credit securities discussed herein and the risks discussed under "Structured Finance Investments Risks," CLOs, CDOs and CBOs are subject to additional risks. CLOs, CDOs and CBOs are subject to risks associated with the possibility that distributions from collateral securities will not be adequate to make interest or other payments; the quality of the collateral may decline in value or default; and the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

The credit quality of CLOs, CDOs and CBOs depends primarily upon the quality of the underlying assets and the level of credit support and/or enhancement provided. The underlying assets (e.g., debt obligations) of CLOs, CDOs and CBOs are subject to prepayments, which shorten the weighted average maturity and may lower the return of CLOs, CDOs and CBOs. If the credit support or enhancement is exhausted, losses or delays in payment may result if the required payments of principal and interest are not made. The transaction documents relating to the issuance of CLOs, CDOs and CBOs may impose eligibility criteria on the assets of the issuing SPV, restrict the ability of the investment manager to trade investments and impose certain portfolio-wide asset quality requirements. These criteria, restrictions and requirements may limit the ability of the SPV's investment manager to maximize returns on the CLOs, CDOs and CBOs. In addition, other parties involved in CLOs, CDOs and CBOs, such as third party credit enhancers and investors in the rated tranches, may impose requirements that have an adverse effect on the returns of the various tranches of CLOs, CDOs and CBOs. Furthermore, CLO, CDO and CBO transaction documents generally contain provisions that, in the event that certain tests are not met (generally interest coverage and over-collateralization tests at varying levels in the capital structure), proceeds that would otherwise be distributed to holders of a junior tranche must be diverted to pay down the senior tranches until such tests are satisfied. Failure (or increased likelihood of failure) of a CLO, CDO or CBO to make timely payments on a particular tranche will have an adverse effect on the liquidity and market value of such tranche. CLOs, CDOs and CBOs are often highly leveraged, and the risks of investing in these instruments may be magnified depending on the tranche of CLO, CDO or CBO securities held by a Fund.

Payments to holders of CLOs, CDOs and CBOs may be subject to deferral. If cashflows generated by the underlying assets are insufficient to make all current and, if applicable, deferred payments on the CLOs, CDOs and CBOs, no other assets will be available for payment of the deficiency and, following realization of the underlying assets, the obligations of the issuer to pay such deficiency will be extinguished.

The value of securities issued by CLOs, CDOs and CBOs also may change because of changes in market value, that is changes in the market's perception of the creditworthiness of the servicing agent for the pool, the originator of the pool, or the financial institution or fund providing the credit support or enhancement. Finally, CLOs, CDOs and CBOs are limited recourse and may not be paid in full and may be subject to up to 100% loss.

Section 13 of the Bank Holding Company Act of 1956, often referred to as the "Volcker Rule," imposes restrictions on banking entities' ability to sponsor or invest in certain CLOs, CDOs and CBOs. These restrictions may have an adverse effect on the CLO, CDO and CBO market generally, including the availability, liquidity and value of certain CLOs, CDOs and CBOs.

Sovereign Debt Risk. Investments in sovereign debt involve special risks. Foreign governmental issuers of debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or pay interest when due. In the event of default, there may be limited or no legal recourse in that, generally, remedies for defaults must be pursued in the courts of the defaulting party. Political conditions, especially a sovereign entity's willingness to meet the terms of its debt obligations, are of considerable significance. The ability of a foreign sovereign issuer, especially an emerging market country, to make timely payments on its debt obligations will also be strongly influenced by the sovereign issuer's balance of payments, including export performance, its access to international credit facilities and investments, fluctuations of interest rates and the extent of its foreign reserves. The cost of servicing external debt will also generally be adversely affected by rising international interest rates, as many external debt obligations bear interest at rates which are adjusted based upon international interest rates. Also, there can be no assurance that the holders of commercial bank loans to the same sovereign entity may not contest payments

to the holders of sovereign debt in the event of default under commercial bank loan agreements. In addition, there is no bankruptcy proceeding with respect

to sovereign debt on which a sovereign has defaulted and the Fund may be unable to collect all or any part of its investment in a particular issue. Foreign investment in certain sovereign debt is restricted or controlled to varying degrees, including requiring governmental approval for the repatriation of income, capital or proceeds of sales by foreign investors. These restrictions or controls may at times limit or preclude foreign investment in certain sovereign debt and increase the costs and expenses of the Fund.

Inflation/Deflation Risk. Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the common shares and distributions can decline. In addition, during any periods of rising inflation, the dividend rates or borrowing costs associated with the Fund's use of Financial Leverage would likely increase, which would tend to further reduce returns to common shareholders. Deflation risk is the risk that prices throughout the economy decline over time—the opposite of inflation. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Fund's portfolio.

Inflation-Indexed Securities Risk. Inflation-indexed debt securities are subject to the effects of changes in market interest rates caused by factors other than inflation, such as real interest rates. In general, the value of an inflation-indexed security, including Treasury Inflation-Protected Securities ("TIPS"), tends to decrease when real interest rates increase and can increase when real interest rates decrease. Thus generally, during periods of rising inflation, the value of inflation- indexed securities will tend to increase and during periods of deflation, their value will tend to decrease. Interest payments on inflation-indexed securities are unpredictable and will fluctuate as the principal and interest are adjusted for inflation. There can be no assurance that the inflation index used (i.e., the Consumer Price Index for All Urban Consumers ("CPI")) will accurately measure the real rate of inflation in the prices of goods and services. Increases in the principal value of TIPS due to inflation are considered taxable ordinary income for the amount of the increase in the calendar year. Any increase in the principal amount of an inflation-indexed debt security will be considered taxable ordinary income, even though the Fund will not receive the principal until maturity. In order to receive the special treatment accorded to "regulated investment companies" ("RICs") and their shareholders under the Code and to avoid U.S. federal income and/or excise taxes at the Fund level, the Fund may be required to distribute this income to shareholders in the tax year in which the income is recognized (without a corresponding receipt of cash). Therefore, the Fund may be required to pay out as an income distribution in any such tax year an amount greater than the total amount of cash income the Fund actually received, and to sell portfolio securities, including at potentially disadvantageous times or prices, to obtain cash needed for these income distributions.

Municipal Securities Risk. Municipal securities involve certain risks. The amount of public information available about municipal securities is generally less than that for corporate equities or bonds, and the investment performance of the Fund's municipal securities investments may therefore be more dependent on the analytical abilities of the Adviser. The secondary market for municipal securities, particularly below investment grade securities, also tends to be less well-developed or liquid than many other securities markets, which may adversely affect the Fund's ability to sell such securities at prices approximating those at which the Fund may currently value them.

In addition, many state and municipal governments that issue securities are under significant economic and financial stress and may not be able to satisfy their obligations. The ability of municipal issuers to make timely payments of interest and principal may be diminished during general economic downturns and as governmental cost burdens are reallocated among federal, state and local governments. The taxing power of any governmental entity may be limited by provisions of state constitutions or laws and an entity's credit will depend on many factors, including the entity's tax base, the extent to which the entity relies on federal or state aid and other factors which are beyond the entity's control. In addition, laws enacted in the future by Congress or state legislatures or referenda could extend the time for payment of principal and/or interest, or impose other constraints on enforcement of such obligations or on the ability of municipalities to levy taxes. Issuers of municipal securities might seek protection under bankruptcy laws. In the event of bankruptcy of such an issuer, holders of municipal securities could experience delays in collecting principal and interest and such holders may not be able to collect all principal and interest to which they are entitled.

The Fund may invest in taxable municipal securities, which consist primarily of BABs. The issuance of BABs was discontinued on December 31, 2010. Under the sequestration process under the Budget Control Act of

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2011, automatic spending cuts that became effective on March 1, 2013 reduced the federal subsidy for BABs and other subsidized taxable municipal bonds. The reduced federal subsidy has been extended through 2024. The subsidy payments were reduced by 7.3% in 2015 and by 6.8% in 2016. The Fund cannot predict future reductions in the federal subsidy for BABs and other subsidized taxable municipal bonds.

U.S. Government Securities Risk. U.S. Government securities historically have not involved the credit risks associated with investments in other types of debt securities, although, as a result, the yields available from U.S. Government debt securities are generally lower than the yields available from other securities. Like other debt securities, however, the values of U.S. Government securities change as interest rates fluctuate. In 2011, each of S&P, Moody's and Fitch lowered its long-term sovereign credit rating on the U.S. to "AA+" from "AAA." Any further downgrades of the U.S. credit rating could increase volatility in both stock and bond markets, result in higher interest rates and higher Treasury yields and increase the costs of all kinds of debt. These events could have significant adverse effects on the economy generally and could result in significant adverse impacts on securities issuers and the Fund. The Adviser cannot predict the effects of these or similar events in the future on the U.S. economy and securities markets or on the Fund's portfolio.

INVESTMENT RESTRICTIONS

Fundamental Policies

Except as described below, the Acquiring Fund, as a fundamental policy, may not, without the approval of the holders of a majority of the outstanding Common Shares:

(1) Concentrate its investments in a particular "industry," as that term is used in the 1940 Act, and as interpreted, modified, or otherwise permitted by regulatory authority having jurisdiction, from time to time.

(2) With respect to 75% of the Fund's total assets, purchase the securities of any issuer, except securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities or securities issued by other investment companies, if, as a result, (i) more than 5% of the Fund's total assets would be invested in the securities of that issuer, or (ii) the Fund would hold more than 10% of the outstanding voting securities of that issuer.

(3) Purchase or sell real estate, although it may purchase securities secured by real estate or interests therein, or securities issued by companies which invest in real estate, or interests therein.

(4) Purchase or sell commodities or commodities contracts or oil, gas or mineral programs. This restriction shall not prohibit the Fund, subject to restrictions described in the Prospectus and elsewhere in this Statement of Additional Information, from purchasing, selling or entering into futures contracts, options on futures contracts, forward contracts, or any interest rate, securities-related or other hedging instrument, including swap agreements and other derivative instruments, subject to compliance with any applicable provisions of the federal securities or commodities laws.

(5) Borrow money or issue any senior security, except to the extent permitted under the 1940 Act and as interpreted, modified, or otherwise permitted by regulatory authority having jurisdiction, from time to time.

(6) Make loans, except to the extent permitted under the 1940 Act, and as interpreted, modified, or otherwise permitted by regulatory authority having jurisdiction, from time to time.

(7) Act as an underwriter of securities of other issuers, except to the extent that in connection with the disposition of portfolio securities, it may be deemed to be an underwriter under the federal securities laws.

Currently, under the 1940 Act, the Fund generally is not permitted to engage in borrowings unless immediately after a borrowing the value of the Fund's total assets less liabilities (other than the borrowing) is at least 300% of the principal amount of the borrowing (i.e., the principal amount may not exceed 331/3% of the Fund's total assets). In addition, the Fund is not permitted to declare any cash dividend or other distribution on Common Shares unless, at the time of declaration, the value of the Fund's total assets, less liabilities other than borrowings, is at least 300% of the principal amount of its borrowing.

Currently, under the 1940 Act, the Fund may generally not lend money or property to any person, directly or indirectly, if the person controls or is under common control with the Fund, except for a loan from the Fund to a company that owns all of the outstanding securities of the Fund, except directors' and qualifying shares.

For purposes of the foregoing, "majority of the outstanding," when used with respect to particular shares of the Fund (whether voting together as a single class or voting as separate classes), means (i) 67% or more of such shares present at a meeting, if the holders of more than 50% of such shares are present or represented by proxy, or (ii) more than 50% of such shares, whichever is less.

Unless otherwise indicated, all limitations applicable to the Fund's investments apply only at the time a transaction is entered into.

Currently, under the 1940 Act, a "senior security" does not include any promissory note or evidence of indebtedness where the loan is for temporary purposes only and in an amount not exceeding 5% of the value of the total assets of the issuer at the time the loan is made. A loan is presumed to be for temporary purposes if it is repaid within sixty days and is not extended or renewed.

The Fund would be deemed to "concentrate" in a particular industry if it invested 25% or more of its total assets in that industry. The Fund's industry concentration policy does not preclude it from focusing investments in issuers in a group of related industrial sectors (such as different types of utilities).

To the extent the Fund covers its commitment under a reverse repurchase agreement, derivative instrument or other borrowing instrument by the segregation of liquid assets, equal in value to the amount of the Fund's commitment, or by entering into offsetting transactions or by owning other positions covering its obligations, the instrument will not be considered a "senior security" for purposes of the asset coverage requirements otherwise applicable to borrowings by the Fund.

The Fund interprets its policies with respect to borrowing and lending to permit such activities as may be lawful for the Fund, to the full extent permitted by the 1940 Act or by exemption from the provisions of the 1940 Act under an exemptive order of the SEC.

MANAGEMENT OF THE FUND

Board of Trustees

Overall responsibility for management and supervision of the Funds rest with the Board of Trustees (the "Board of Trustees" or the "Board"). The Board of Trustees approves all significant agreements between the Funds and the companies that furnish the Funds with services, including agreements with the Investment Adviser.

The Trustees are divided into three classes. Trustees serve until their successors have been duly elected. Following is a list of the names, business addresses, year of birth, present positions with the Funds, length of time served with the Funds, principal occupations during the past five years and other directorships held by each Trustee.

Name, Address[1] and Year of Birth	Position(s) Held with Funds	Term of Office[2] and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex[3] Overseen	Other Public Company or Investment Company Directorships Held
Independent Trustees					
Randall C. Barnes Year of Birth: 1951	Trustee	†	Current: Private Investor (2001-present). Former: Senior Vice President and Treasurer, PepsiCo, Inc. (1993-1997); President, Pizza Hut International (1991-1993); Senior Vice President, Strategic Planning and New Business Development, PepsiCo, Inc. (1987-1990).	101	Current: Purpose Investments Funds (2014-present).
Donald A. Chubb Jr. Year of Birth: 1946	Trustee and Chairman of the Valuation Oversight Committee	†	Current: Business broker and manager of commercial real estate, Griffith & Blair, Inc. (1997-present).	97	Midland Care, Inc. (2011-present).
Jerry B. Farley Year of Birth: 1946	Trustee	†	Current: President, Washburn University (1997-present).	97	Current: Westar Energy, Inc. (2004-present); CoreFirst Bank & Trust (2000-present).
Roman Friedrich III Year of Birth: 1946	Trustee and Chairman of the Contracts Review Committee	‡	Current: Founder and President, Roman Friedrich & Company (1998-president). Former: Senior Managing Director, MLV & Co. LLC (2010-2011).	97	Current: Zincore Metals, Inc. (2009-present). Former: Axium Gold and Silver Corp. (2011-2012).
Robert B. Karn III Year of Birth: 1942	Trustee and Chairman of the Audit Committee	‡	Current: Consultant (1998-present). Former: Arthur Andersen (1965-1997) and Managing Partner, Financial and Economic Consulting, St. Louis office (1987-1997).	97	Current: Peabody Energy Company (2003-present); GP Natural Resource Partners, LLC (2002-present).
Ronald A. Nyberg Year of Birth: 1953	Trustee and Chairman of the Nominating and Governance Committee	‡	Current: Partner, Momkus McCluskey Roberts, LLC (2016-present). Former: Partner, Nyberg & Cassioppi, LLC (2000-2016); Executive Vice President, General Counsel, and Corporate Secretary, Van Kampen Investments (1982-1999).	103	Current: Edward-Elmhurst Healthcare System (2012-present).
	Trustee	†	Current: Retired.	97	

Maynard F. Oliverius Year of Birth: 1943		Former: President and CEO, Stormont-Vail HealthCare (1996-2012).		Current: Fort Hays State University Foundation (1999-present); Stormont-Vail Foundation (2013-present); University of Minnesota MHA Alumni Philanthropy Committee (2009-present). Former: Topeka Community Foundation (2009-2014).
Ronald E. Toupin Jr. Year of Birth: 1958	Trustee and Chairman of the Board	Current: Portfolio Consultant (2010-present). Former: Vice President, Manager and Portfolio Manager, Nuveen Asset Management (1998-1999); Vice President, Nuveen Investment Advisory Corp. (1992-1999); Vice President and Manager, Nuveen Unit Investment Trusts (1991-1999); and Assistant Vice President and Portfolio Manager, Nuveen Unit Investment Trusts (1988-1999), each of John Nuveen & Co., Inc. (1982-1999).	100	Former: Bennett Group of Funds (2011-2013).

Name, Address[1] and Year of Birth	Position(s) Held with Funds	Term of Office[2] and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex[3] Overseen	Other Public Company or Investment Company Directorships Held
Interested Trustee					
Donald C. Cacciapaglia* Year of Birth: 1951	President, Chief Executive Officer and Trustee	†	Current: President and CEO, certain other funds in the Fund Complex (2012-present); Vice Chairman, Guggenheim Investments (2010-present). Former: Chairman and CEO, Channel Capital Group, Inc. (2002-2010).	232	Current: Clear Spring Life Insurance Company (2015-present); Guggenheim Partners Investment Management Holdings, LLC (2014-present); Guggenheim Partners Japan, Ltd. (2014-present); Delaware Life (2013-present); Guggenheim Life and Annuity Company (2011-present); Paragon life Indiana (2011-present).

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(1) The business address of each Trustee of the Funds is 227 West Monroe Street, Chicago, IL 60606, unless otherwise noted.

(2) After a Trustee's initial term, each Trustee is expected to serve a three year term concurrent with the class of Trustees for which he serves.

- Messrs. Barnes, Cacciapaglia and Chubb, as Class I Trustees, are expected to stand for re-election at the Funds' annual meeting of shareholders for the fiscal year ending in 2017.
- Messrs. Farley, Friedrich and Nyberg are Class II Trustees. Class II Trustees are expected to stand for re-election at the Funds' annual meeting of shareholders for the fiscal year ended in 2018.
- Messrs. Karn, Oliverius and Toupin are Class III Trustees. Class III Trustees are expected to stand for re-election at the Funds' annual meeting of shareholders for the fiscal year ended in 2016 for GEQ and GPM and 2019 for GGE.

(3) As of the date of this SAI, the Fund Complex consists of 14 closed-end funds, including the Funds, 66 exchange-traded funds and 156 open-end funds advised or serviced by the Investment Adviser or its affiliates. The funds in the Fund Complex are overseen by multiple boards of trustees.

* Mr. Cacciapaglia is deemed to be an "interested person" of the Fund under the 1940 Act by reason of his position with the Fund's Investment Adviser and/or the parent of the Investment Adviser.

†Trustee since:

	GGE	GEQ	GPM
Independent Trustees			
Barnes	2010	2011	2005
Chubb	2014	2014	2014
Farley	2014	2014	2014
Friedrich III	2003	2011	2011

Karn III	2010	2011	2011
Nyberg	2003	2011	2005
Oliverius	2014	2014	2014
Toupin	2003	2011	2005
Interested Trustee			
Cacciapaglia	2012	2012	2012

Trustee Qualifications

The Trustees were selected to serve on the Board based upon their skills, experience, judgment, analytical ability, diligence, ability to work effectively with other Trustees, availability and commitment to attend meetings and perform the responsibilities of a Trustee and a willingness to take an independent and questioning view of management.

The following is a summary of the experience, qualifications, attributes and skills of each Trustee that support the conclusion, as of the date of this SAI, that each Trustee should serve as a Trustee in light of the Funds' business and structure. References to the qualifications, attributes and skills of Trustees do not constitute the holding out of any Trustee as being an expert under Section 7 of the 1933 Act or the rules and regulations of the SEC.

Randall C. Barnes. Mr. Barnes has served as a trustee of certain funds in the Fund Complex since 2004. Through his service as a Trustee of the Funds, employment experience as President of Pizza Hut International and as Treasurer of PepsiCo, Inc., and his personal investment experience, Mr. Barnes is experienced in financial, accounting, regulatory and investment matters.

Donald C. Cacciapaglia. Mr. Cacciapaglia has served as a trustee of certain funds in the Fund Complex since 2012. Mr. Cacciapaglia has over 25 years of experience in the financial industry and has experience in financial, regulatory, distribution and investment matters.

Donald A. Chubb. Mr. Chubb has served as a trustee of certain funds in the Fund Complex since 1994. Through his service as a Trustee of the Funds, and as chairperson of the Valuation Oversight Committee, his experience in the commercial brokerage and commercial real estate market, and his prior experience, including as a director of Fidelity State Bank and Trust Company (Topeka, KS), Mr. Chubb is experienced in financial, regulatory and investment matters.

Jerry B. Farley. Dr. Farley has served as a trustee of certain funds in the Fund Complex since 2005. Dr. Farley currently serves as President of Washburn University and previously served in various executive positions for the University of Oklahoma and Oklahoma State University. He has also been a Certified Public Accountant since 1972 and, although he has not practiced public accounting, his business responsibilities at education institutions have included all aspects of financial management and reporting. Through his service as a Trustee of the Funds and his experience in the administration of the academic, business and fiscal operations of educational institutions, including currently serving as President of Washburn University, and service on other boards, Dr. Farley is experienced in accounting, financial, regulatory and investment matters.

Roman Friedrich III. Mr. Friedrich has served as a trustee of certain funds in the Fund Complex since 2003. Through his service as a Trustee of the Funds and as chairperson of the Contracts Review Committee, his service on other public company boards, his experience as founder and Managing Partner of Roman Friedrich & Company, a financial advisory firm and his prior experience as a senior executive of various financial securities firms, Mr. Friedrich is experienced in financial, investment and regulatory matters.

Robert B. Karn III. Mr. Karn has served as a trustee of certain funds in the Fund Complex since 2004. Through his service as a Trustee of the Funds and as chairperson of the Audit Committee, his service on other public and private company boards, his experience as an accountant and consultant, and his prior experience, including Managing Partner of the Financial and Economic Consulting Practice of the St. Louis office at Arthur Andersen, LLP, Mr. Karn is experienced in accounting, financial, investment and regulatory matters. The Board has determined that Mr. Karn is an "audit committee financial expert" as defined by the SEC.

Ronald A. Nyberg. Mr. Nyberg has served as a trustee of certain funds in the Fund Complex since 2003. Through his service as a Trustee of the Funds and as chairperson of the Nominating & Governance Committee, his professional training and experience as an attorney and partner of a law firm, Momkus McCluskey Roberts, LLC and his prior employment experience, including as Partner of Nyberg & Cassioppi LLC and Executive Vice President and General Counsel of Van Kampen Investments, an asset management firm, Mr. Nyberg is experienced in financial, regulatory and governance matters.

Maynard F. Oliverius. Mr. Oliverius has served as a trustee of certain funds in the Fund Complex since 1998. Through his service as a Trustee of the Funds and his prior experience as President and Chief Executive Officer of Stormont-Vail HealthCare and service on the Board of Trustees of the American Hospital Association, Mr. Oliverius is experienced in financial and regulatory matters.

Ronald E. Toupin, Jr. Mr. Toupin has served as a trustee of certain funds in the Fund Complex since 2003. Through his service as a Trustee of the Funds and as chairperson of the Board, and his professional training and employment experience, including Vice President and Portfolio Manager for Nuveen Asset Management, an asset management firm, Mr. Toupin is experienced in financial, regulatory and investment matters.

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Each Trustee also has considerable familiarity with the Fund Complex and the Funds' service providers and their operations, as well as the special regulatory requirements governing registered investment companies and the special responsibilities of investment company trustees as a result of his substantial prior service as a Trustee of the funds in the Fund Complex.

Executive Officers

The executive officers of the Funds, their year of birth and their principal occupations during the past five years (their titles may have varied during that period) are shown in the table below. The business address of each officer is c/o Guggenheim Partners, 227 West Monroe Street, Chicago, IL 60606.

The following information relates to the executive officers of the Funds who are not Trustees. Each executive officer is an "interested person" of the Funds (as defined in the 1940 Act) by virtue of that individual's position with Guggenheim or its affiliates described in the table below.

Name, Address[1] and Year of Birth	Position(s) held with the Funds	Term of Office[2] and Length of Time Served	Principal Occupations(s) During Past 5 Years
William H. Belden, III Year of Birth: 1965	Vice President	†	Current: Vice President, certain other funds in the Fund Complex (2006-present); Managing Director, Guggenheim Funds Investment Advisers, LLC (2005-present). Former: Vice President of Management, Northern Trust Global Investments (1999-2005).
Joanna M. Catalucci Year of Birth: 1966	Chief Compliance Officer	†	Current: Chief Compliance Officer, certain funds in the Fund Complex (2012-present); Senior Managing Director, Guggenheim Investments (2012-present). Former: Chief Compliance Officer and Secretary, certain other funds in the Fund Complex (2008-2012); Senior Vice President & Chief Compliance Officer, Security Investors, LLC and certain affiliates (2010-2012); Chief Compliance Officer and Senior Vice President, Rydex Advisers, LLC and certain affiliates (2010-2011).
James M. Howley Year of Birth: 1972	Assistant Treasurer	†	Current: Director, Guggenheim Investments (2004-present); Assistant Treasurer, certain other funds in the Fund Complex (2006-present). Former: Manager of Mutual Fund Administration, Van Kampen Investments, Inc. (1996-2004).
Keith Kemp Year of Birth: 1960	Assistant Treasurer	†	Current: Managing Director, Transparent Value, LLC (2015-present); Managing Director, Guggenheim Investments (2015-present). Former: Director, Transparent Value, LLC (2010-2015); Director, Guggenheim Investments (2010-2015); Chief Operating Officer, Macquarie Capital Investment Management (2007-2009).

Name, Address[1] and Year of Birth	Position(s) held with the Funds	Term of Office[2] and Length of Time Served	Principal Occupations(s) During Past 5 Years
Amy J. Lee Year of Birth: 1969	Chief Legal Officer	†	Current: Chief Legal Officer, certain other funds in the Fund Complex (2013-present); Senior Managing Director, Guggenheim Investments (2012-present). Former: Vice President, Associate General Counsel and Assistant Secretary, Security Benefit Life Insurance Company and Security Benefit Corporation (2004-2012).
Mark E. Mathiasen Year of Birth: 1978	Secretary	†	Current: Secretary, certain other funds in the Fund Complex (2007-present); Managing Director, Guggenheim Investments (2007-present).
Glenn McWhinnie Year of Birth: 1969	Assistant Treasurer	†	Current: Vice President, Guggenheim Investments (2009-present); Assistant Treasurer, certain other funds in the Fund Complex (2016-present). Former: Tax Compliance Manager, Ernst & Young LLP (1996-2009).
Michael P. Megaris Year of Birth 1984	Assistant Secretary	†	Current: Assistant Secretary, certain other funds in the Fund Complex (2014-present); Associate, Guggenheim Investments (2012-present). Former: J.D., University of Kansas School of Law (2009-2012).
Adam Nelson Year of Birth: 1979	Assistant Treasurer	†	Current: Vice President, Guggenheim Investments (2015-present); Assistant Treasurer, certain other funds in the Fund Complex (2015-present). Former: Assistant Vice President and Fund Administration Director, State Street Corporation (2013-2015); Fund Administration Assistant Director, State Street (2011-2013); Fund Administration Manager, State Street (2009-2011).
Kimberly J. Scott Year of Birth: 1974	Assistant Treasurer	†	Current: Vice President, Guggenheim Investments (2012-present); Assistant Treasurer, certain other funds in the Fund Complex (2012-present). Former: Financial Reporting Manager, Invesco, Ltd. (2010-2011); Vice President/Assistant Treasurer of Mutual Fund Administration, Van Kampen Investments, Inc./Morgan Stanley Investment Management (2009-2010); Manager of Mutual Fund Administration, Van Kampen Investments, Inc./Morgan Stanley Investment Management (2005-2009).
Bryan Stone Year of Birth: 1979	Vice President	†	Current: Vice President, certain other funds in the Fund Complex (2014-present); Director, Guggenheim Investments (2013-present). Former: Senior Vice President, Neuberger Berman Group LLC (2009-2013); Vice President, Morgan Stanley (2002-2009).

Name, Address[1] and Year of Birth	Position(s) held with the Funds	Term of Office[2] and Length of Time Served	Principal Occupations(s) During Past 5 Years
John L. Sullivan Year of Birth: 1955	Chief Financial Officer, Chief Accounting Officer and Treasurer	†	Current: CFO, Chief Accounting Officer and Treasurer, certain other funds in the Fund Complex (2010-present); Senior Managing Director, Guggenheim Investments (2010-present). Former: Managing Director and CCO, each of the funds in the Van Kampen Investments fund complex (2004-2010); Managing Director and Head of Fund Accounting and Administration, Morgan Stanley Investment Management (2002-2004); CFO and Treasurer, Van Kampen Funds (1996-2004).

(1) The business address of each officer is c/o Guggenheim Investments, 227 West Monroe Street, Chicago, IL 60606, unless otherwise noted.

(2) Officers serve at the pleasure of the Board and until his or her successor is appointed and qualified or until his or her resignation or removal.

†Officer since:

	GGE	GEQ	GPM
Belden	2014	2014	2014
Catalucci	2012	2012	2012
Howley	2007	2011	2006
Kemp	2016	2016	2016
Lee	2013	2013	2013
Mathiasen	2008	2011	2007
McWhinnie	2016	2016	2016
Megaris	2014	2014	2014
Nelson	2015	2015	2015
Scott	2012	2012	2012
Stone	2014	2014	2014
Sullivan	2010	2011	2010

Board Leadership Structure

The primary responsibility of the Board of Trustees is to represent the interests of the Funds and to provide oversight of the management of the Funds. The Funds' day-to-day operations are managed by the Adviser and other service providers who have been approved by the Board. The Board is currently comprised of nine Trustees, eight of whom (including the chairperson) are classified under the 1940 Act as "non-interested" persons of the Funds ("Independent Trustees"). Generally, the Board acts by majority vote of all the Trustees, which includes a majority vote of the Independent Trustees.

The Board has appointed an independent chairperson, Ronald E. Toupin, Jr., who presides at Board meetings and who is responsible for, among other things, setting the tone of Board meetings and seeking to encourage open dialogue and independent inquiry among the trustees and management. The Board has established three standing committees (as described below) and has delegated certain responsibilities to those committees, each of which is comprised solely of Independent Trustees. The Board has also established an Executive Committee (as described below). The Board and

its committees will meet periodically throughout the year to oversee the Funds' activities, review contractual arrangements with service providers, review the Funds' financial statements, oversee compliance with regulatory requirements, and review performance. The Independent Trustees are represented by independent legal counsel at Board and committee meetings. The Board has determined that this leadership structure, including

an independent chairperson, a supermajority of Independent Trustees and committee membership limited to Independent Trustees, is appropriate in light of the characteristics and circumstances of the Funds.

Board Committees

Executive Committee. Messrs. Nyberg and Toupin, who are not “interested persons” of the Funds, as defined in the 1940 Act, serve on the Funds’ Executive Committee. The Executive Committee is authorized to act on behalf of and with the full authority of the Board of Trustees when necessary in the intervals between meetings of the Board of Trustees.

Nominating and Governance Committee. Messrs. Barnes, Chubb, Farley, Friedrich, Karn, Nyberg, Oliverius and Toupin, who are not “interested persons” of the Funds, as defined in the 1940 Act, serve on the Funds’ Nominating and Governance Committee. Mr. Nyberg serves as chairperson of the Nominating and Governance Committee. The Nominating and Governance Committee is responsible for recommending qualified candidates to the Board of Trustees in the event that a position is vacated or created. In considering trustee nominee candidates, the Nominating and Governance Committee takes into account a wide variety of factors, including the overall diversity of the Board’s composition. The Nominating and Governance Committee believes the Board generally benefits from diversity of background, experience and views among its members, and considers this a factor in evaluating the composition of the Board, but has not adopted any specific policy in this regard. The Nominating and Governance Committee would consider recommendations by shareholders if a vacancy were to exist. Such recommendations should be forwarded to the Secretary of the Funds. The Funds do not have a standing compensation committee.

Audit Committee. Messrs. Barnes, Chubb, Farley, Friedrich, Karn, Nyberg, Oliverius and Toupin, who are not “interested persons” of the Funds, as defined in the 1940 Act, serve on the Funds’ Audit Committee. Mr. Karn serves as chairperson of the Audit Committee. The Audit Committee is generally responsible for reviewing and evaluating issues related to the accounting and financial reporting policies and internal controls of the Funds and, as appropriate, the internal controls of certain service providers, overseeing the quality and objectivity of the Funds’ financial statements and the audit thereof and acting as a liaison between the Board of Trustees and the Funds’ independent registered public accounting firm.

Contracts Review Committee. Messrs. Barnes, Chubb, Farley, Friedrich, Karn, Nyberg, Oliverius and Toupin, who are not “interested persons” of the Funds, as defined in the 1940 Act, serve on the Funds’ Contracts Review Committee. Mr. Friedrich serves as chairperson of the Contracts Review Committee. The Contracts Review Committee oversees the contract review process, including review of the Funds’ advisory agreements and other contracts with affiliated service providers.

Valuation Oversight Committee. The Board has a Valuation Oversight Committee, composed of Messrs. Chubb, Friedrich and Oliverius, each of whom is an Independent Trustee. Mr. Chubb serves as chairperson of the Valuation Oversight Committee. The Valuation Oversight Committee assists the Board in overseeing the activities of Guggenheim's Valuation Committee and the valuation of securities and other assets held by the Fund. Duties of the Valuation Oversight Committee including reviewing the Fund’s valuation procedures, evaluating pricing services that are being used for the Fund, and receiving reports relating to actions taken by Guggenheim's Valuation Committee. The Board established this Committee effective November 16, 2016.

Board and Committee Meetings. During GGE’s fiscal year ended October 31, 2015, GGE’s Board held 6 meetings, GGE’s Audit Committee held 5 meetings, GGE’s Nominating and Governance Committee held 2 meetings and GGE’s Contracts Review Committee held 1 meeting. During GEQ’s fiscal year ended December 31, 2015, GEQ’s Board held 6 meetings, GEQ’s Audit Committee held 4 meetings, GEQ’s Nominating and Governance Committee held 3 meetings and GEQ’s Contracts Review Committee held 1 meeting. During GPM’s fiscal year ended December 31, 2015, GPM’s Board held 6 meetings, GPM’s Audit Committee held 4 meetings, GPM’s Nominating and Governance Committee held 3 meetings and GPM’s Contracts Review Committee held 1 meeting.

Board’s Role in Risk Oversight

Consistent with its responsibility for oversight of the Funds, the Board, among other things, oversees risk management of the Funds’ investment program and business affairs directly and through the committee structure it has established. The Board has established the Audit Committee, the Nominating and Governance Committee and the Contracts

Review Committee to assist in its oversight functions, including its oversight of the risks the Funds face. Each committee will report its activities to the Board on a regular basis. Risks to the Funds include, among others, investment risk, credit risk, liquidity risk, valuation risk and operational risk, as well as the overall business risk relating to the Funds. The Board has adopted, and will periodically review, policies, procedures and controls designed to address these different types of risks. Under the Board's supervision, the officers of the Funds, the Adviser and other service providers to the Funds also have implemented a variety of processes, procedures and controls to address various risks. In addition, as part of the Board's periodic review of the Funds' advisory agreement, sub-advisory

agreements and other service provider agreements, the Board may consider risk management aspects of the service providers' operations and the functions for which they are responsible.

The Board will require officers of the Funds to report to the full Board on a variety of matters at regular and special meetings of the Board and its committees, as applicable, including matters relating to risk management. The Audit Committee will also receive reports from the Funds' independent registered public accounting firm on internal control and financial reporting matters. On at least a quarterly basis, the Board will meet with the Funds' Chief Compliance Officer, including separate meetings with the Independent Trustees in executive session, to discuss compliance matters and, on at least an annual basis, will receive a report from the Chief Compliance Officer regarding the effectiveness of the Funds' compliance program. The Board, with the assistance of the Funds management, will review investment policies and risks in connection with its review of the Funds' performance. In addition, the Board will receive reports from the Adviser on the investments and securities trading of the Funds. With respect to valuation, the Board oversees a pricing committee comprised of the Funds officers and Adviser personnel and has approved Fair Valuation procedures applicable to valuing the Funds' securities, which the Board and the Audit Committee will periodically review. The Board will also require the Adviser to report to the Board on other matters relating to risk management on a regular and as-needed basis.

Remuneration of Trustees and Officers

Each Trustee who is not an "affiliated person" (as defined in the 1940 Act) of the Adviser or its affiliates receives as compensation for his services to the Funds an annual retainer and meeting fees. The chairperson of the Board, if any, and the chairperson of each committee of the Board also receive fees for their services. The annual retainer and fees for service as chairperson of Board and committees of the Board are allocated among the Funds and certain other funds in the Fund Complex. Officers who are employed by the Adviser receive no compensation or expense reimbursement from the Funds. The following table sets forth the compensation paid to each Independent Trustee by the Funds during its most recent fiscal year and the total compensation paid to each Independent Trustee by Funds in the Fund Complex during the most recently completed calendar year ended December 31, 2015.

	Aggregate Compensation from GGE	Aggregate Compensation from GPM	Aggregate Compensation from GEQ	Total Compensation from Closed-End Complex[1]
Randall C. Barnes	$8,279	$10,021	$9,671	$325,000
Donald A. Chubb	$8,336	$10,090	$9,737	$234,500
Jerry B. Farley	$8,336	$10,090	$9,737	$234,500
Roman Friedrich III	$8,492	$10,279	$9,920	$239,000
Robert B. Karn III	$8,492	$10,279	$9,920	$239,000
Ronald A. Nyberg	$8,492	$10,279	$9,920	$400,500
Maynard F. Oliverius	$8,336	$10,090	$9,737	$234,500
Ronald E. Toupin, Jr.	$9,702	$11,743	$11,332	$355,000

(1) As of the date of this SAI, the "Fund Complex" consists of 14 closed-end funds, including the Fund, 66 exchange-traded funds and 156 open-end funds advised or serviced by the Investment Adviser or its affiliates. The funds in the Fund Complex are overseen by multiple boards of trustees. Because the Funds in the Fund Complex have different fiscal year ends, the amounts shown in this column are presented on the calendar year ended December 31, 2015.

Trustee Share Ownership

As of December 31, 2015, the most recently completed calendar year prior to the date of this Statement of Additional Information, each Trustee of the Funds beneficially owned equity securities of the Funds and all of the registered investment companies in the family of investment companies overseen by the Trustee in the dollar range amounts specified below.

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Name of Trustee	Aggregate Dollar Range of Equity Securities in GGE	Aggregate Dollar Range of Equity Securities in GEQ	Aggregate Dollar Range of Equity Securities in GPM	Aggregate Dollar Range of Equity Securities in the Fund Complex [1]
Randall C. Barnes	$10,001-$50,000	None	$50,001-$100,000	Over $100,000
Donald A. Chubb	$1-$10,000	$10,001-$50,000	$1-$10,000	Over $100,000
Jerry B. Farley	None	None	None	Over $100,000
Roman Friedrich III	None	None	None	Over $100,000
Robert B. Karn III	None	$10,001-$50,000	None	Over $100,000
Ronald A. Nyberg	$1-$10,000	$10,001-$50,000	$10,001-$50,000	Over $100,000
Maynard F. Oliverius	None	$50,001-$100,000	None	Over $100,000
Ronald E. Toupin, Jr.	$10,001-$50,000	$10,001-$50,000	$10,001-$50,000	Over $100,000

(1) As of the date of this SAI, the "Fund Complex" consists of 14 closed-end funds, including the Fund, 66 exchange-traded funds and 156 open-end funds advised or serviced by the Investment Adviser or its affiliates. The funds in the Fund Complex are overseen by multiple boards of trustees.

Indemnification of Officers and Trustees; Limitations on Liability

The governing documents of the Funds provide that the Funds will indemnify its Trustees and officers and may indemnify its employees or agents against liabilities and expenses incurred in connection with litigation in which they may be involved because of their positions with the Funds, to the fullest extent permitted by law. However, nothing in the governing documents of the Funds protects or indemnifies a trustee, officer, employee or agent of the Funds against any liability to which such person would otherwise be subject in the event of such person's willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her position.

The Funds have entered into an Indemnification Agreement with each Independent Trustee, which provides that the Funds shall indemnify and hold harmless such Trustee against any and all expenses actually and reasonably incurred by the Trustee in any proceeding arising out of or in connection with the Trustee's service to the Funds, to the fullest extent permitted by the Declaration of Trust and By-Laws and the laws of the State of Delaware and the Commonwealth of Massachusetts, as applicable, the Securities Act, and the 1940 Act unless it has been finally adjudicated that (i) the Trustee is subject to such expenses by reason of the Trustee's not having acted in good faith in the reasonable belief that his or her action was in the best interests of the Fund or (ii) the Trustee is liable to the Fund or its shareholders by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his or her office, as defined in Section 17(h) of the 1940 Act, as amended.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, and Section 30(h) of the 1940 Act require each Fund's officers and Trustees, certain officers of each Fund's investment adviser, affiliated persons of the investment adviser, and persons who beneficially own more than ten percent of a Fund's shares to file certain reports of ownership ("Section 16 filings") with the SEC and the NYSE. Based upon each Fund's review of the copies of such forms effecting the Section 16 filings received by it, each Fund believes that for its most recently completed fiscal year, all filings applicable to such persons were completed and filed in a timely manner, except as follows: a Form 3 (relating to an initial statement of beneficial ownership of securities for each Fund) for Adam Nelson, an officer of the Funds, was inadvertently delayed.

INVESTMENT MANAGEMENT AGREEMENTS

Advisory Agreement

Pursuant to an investment advisory agreement between each Fund and the Investment Adviser (each an "Advisory Agreement"), the Fund will pay the Investment Adviser an advisory fee, payable monthly.

Under the terms of the Advisory Agreement, the Investment Adviser is responsible for the management of the Fund; furnishes offices, necessary facilities and equipment on behalf of the Fund; oversees the activities of the Fund's Sub-Adviser; provides personnel, including certain officers required for the Fund's administrative management; and pays the compensation of all officers and Trustees of the Fund who are its affiliates.

The Advisory Agreement had an initial term of two years and thereafter remains in effect from year to year if approved annually (i) by the Board of Trustees or by the holders of a majority of the Fund's outstanding voting

securities and (ii) by a majority of the Trustees who are not "interested persons" (as defined in the 1940 Act) of any party to the Advisory Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. The Advisory Agreement terminates automatically on its assignment and may be terminated without penalty on 60 days written notice at the option of either party thereto or by a vote of a majority of the Fund's outstanding shares, which is defined by the 1940 Act as the lesser of (i) 67% or more of the Fund's voting securities present at a meeting, if the holders of more than 50% of the Fund's outstanding voting securities are present or represented by proxy; or (ii) more than 50% of the Fund's outstanding voting securities.

The Advisory Agreement provides that, in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard for its obligations and duties thereunder, the Investment Adviser is not liable for any error or judgment or mistake of law or for any loss suffered by the Fund. Pursuant to a Trademark Sublicense Agreement, Guggenheim Partners has granted to the Investment Adviser the right to use the name "Guggenheim" in the name of the Fund, and the Investment Adviser has agreed that the name "Guggenheim" is Guggenheim Partners' property.

The tables below set forth information about the total advisory fees paid by the Funds to the Investment Adviser and any amounts waived by the Investment Adviser.

Advisory Fees Paid to the Investment Adviser

	Paid to the Investment Adviser[2]		
For the Fiscal Year Ended[1]	GGE	GEQ	GPM
2015	$1,120,926	$2,200,776	$2,014,545
2014	$1,070,059	$2,236,131	$1,971,192
2013	$1,019,707	$2,004,226	$1,856,047

(1) The fiscal year end for GGE, GEQ and GPM are October 31, December 31 and December 31, respectively.

(2) Amounts refer to amount paid after giving effect to applicable fee waivers.

GPIM Investment Sub-Advisory Agreements

Pursuant to a separate investment sub-advisory agreement among each Fund, the Investment Adviser and GPIM, GPIM serves as an investment sub-adviser to each Fund. The Investment Adviser pays to GPIM a sub-advisory fee, payable monthly.

Under the terms of each Sub-Advisory Agreement, GPIM manages the investment portfolio of the Fund in accordance with its stated investment objective and policies, makes investment decisions for the Fund, places orders to purchase and sell securities on behalf of the Fund, all subject to the supervision and direction of the Board of Trustees and the Investment Adviser.

Each Sub-Advisory Agreement had an initial term of two years and thereafter remains in effect from year to year if approved annually (i) by the Board of Trustees or by the holders of a majority of the Fund's outstanding voting securities and (ii) by a majority of the Trustees who are not "interested persons" (as defined in the 1940 Act) of any party to the Sub-Advisory Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. Each Sub-Advisory Agreement terminates automatically on its assignment and may be terminated without penalty on 60 days written notice at the option of either party thereto, by the Board of Trustees or by a vote of a majority of the Fund's outstanding shares, which is defined by the 1940 Act as the lesser of (i) 67% or more of the Fund's voting securities present at a meeting, if the holders of more than 50% of the Fund's outstanding voting securities are present or represented by proxy; or (ii) more than 50% of the Fund's outstanding voting securities.

Each Sub-Advisory Agreement provides that, in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard for its obligations and duties thereunder, GPIM is not liable for any error or judgment or mistake of law or for any loss suffered by the Fund.

The following table sets forth the sub-advisory fees paid by the Investment Adviser to GPIM.

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Sub-Advisory Fees Paid to GPIM

	Paid to GPIM		
For the Fiscal Year Ended[1]	GGE	GEQ	GPM
2015	$560,463	$1,100,388	$1,007,273
2014	$535,030	$1,118,066	$985,596
2013	$509,854	$1,002,113	$928,024

(1) The fiscal year end for GGE, GEQ and GPM are October 31, December 31 and December 31, respectively.

SI Investment Sub-Advisory Agreements

Pursuant to an investment sub-advisory agreement among GEQ, the Investment Adviser and SI, SI serves as an investment sub-adviser to GEQ. The Investment Adviser pays to SI a sub-advisory fee, payable monthly.

Under the terms of the Sub-Advisory Agreement, SI manages the investment portfolio of GEQ in accordance with its stated investment objective and policies, makes investment decisions for GEQ, places orders to purchase and sell securities on behalf of GEQ, all subject to the supervision and direction of the Board of Trustees and the Investment Adviser.

The Sub-Advisory Agreement had an initial term of two years and thereafter remains in effect from year to year if approved annually (i) by the Board of Trustees or by the holders of a majority of the Fund's outstanding voting securities and (ii) by a majority of the Trustees who are not "interested persons" (as defined in the 1940 Act) of any party to the Sub-Advisory Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. Each Sub-Advisory Agreement terminates automatically on its assignment and may be terminated without penalty on 60 days written notice at the option of either party thereto, by the Board of Trustees or by a vote of a majority of the Fund's outstanding shares, which is defined by the 1940 Act as the lesser of (i) 67% or more of the Fund's voting securities present at a meeting, if the holders of more than 50% of the Fund's outstanding voting securities are present or represented by proxy; or (ii) more than 50% of the Fund's outstanding voting securities.

The Sub-Advisory Agreement provides that, in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard for its obligations and duties thereunder, SI is not liable for any error or judgment or mistake of law or for any loss suffered by the Fund.

The following table sets forth the sub-advisory fees paid by the Investment Adviser to SI.

Sub-Advisory Fees Paid to SI

	Paid to SI
For the Fiscal Year Ended[1]	GEQ
December 31, 2015	$330,116
December 31, 2014	$335,420
December 31, 2013	$300,634

(1) The fiscal year end for GGE, GEQ and GPM are October 31, December 31 and December 31, respectively.

OTHER AGREEMENTS

Fund Administration Agreement and Fund Accounting Agreement

Fund administration fund accounting services are provided to the Funds by MUFG Investor Services (US) LLC (formerly Rydex Fund Services, LLC) ("MUFG") pursuant to a fund administration agreement and a fund accounting agreement that was entered into by each Fund and MUFG. The Combined Fund will be subject to a contractual fund administration fee and fund accounting fee payable monthly to MUFG, at the annual rate set forth as a percentage of the average daily managed assets of the Combined Fund in the table below. These rates are the same as the current contractual fund administration fee rate and fund accounting fee rate of each Fund.

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Fund Administration Fee		Fund Accounting Fee	
Managed Assets	Rate	Managed Assets	Rate
First $200,000,000	0.0275%	First $200,000,000	0.0300%
Next $300,000,000	0.0200%	Next $300,000,000	0.0150%
Next $500,000,000	0.0150%	Next $500,000,000	0.0100%
Over $1,000,000,000	0.0100%	Over $1,000,000,000	0.0075%
		Minimum annual charge	$50,000
		Certain out-of-pocket charges	Varies

The table below shows the amounts paid by the Funds to MUFG for such services for the periods indicated.

	Paid for Administration Services			Paid for Fund Accounting Services		
For the Fiscal Year Ended[1]	GGE	GEQ	GPM	GGE	GEQ	GPM
2015	$38,532	$59,380	$65,365	$51,432	$65,572	$68,034
2014	$36,783	$59,731	$64,280	$50,091	$67,918	$68,073
2013	$35,052[2]	$54,782[2]	$61,390[2]	$0[3]	$0[3]	$0[3]

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(1) The fiscal year end for GGE, GEQ and GPM are October 31, December 31 and December 31, respectively.

(2) Prior to May 14, 2013, these administrative services were provided by Guggenheim Funds Investment Advisors, LLC. For the fiscal year ended 2013, amounts paid to Guggenheim Funds Investment Advisors, LLC as the predecessor administrator are shown above.

(3) Prior to June 1, 2013, these fund accounting services were provided by an unaffiliated fund accounting agent.

Prior to October 4, 2016, MUFG (formerly Rydex Fund Services, LLC) was an affiliate of the Adviser. On October 4, 2016, Guggenheim completed a sale of Rydex Fund Services, LLC to MUFG Investor Services, the global asset servicing group of Mitsubishi UFJ Financial Group and Rydex Fund Services, LLC was renamed MUFG Investor Services (US) LLC.

PORTFOLIO MANAGERS

Other Accounts Managed by the Portfolio Managers of the Combined Fund

For the Combined Fund, as of December 31, 2015:

	Number of Other Accounts Managed and Assets by Account Type			Number of Other Accounts and Assets for Which Advisory Fee is Performance-Based		
Name of Portfolio Manager	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts
Farhan Sharaff	22	5	1	0	1	0
	$2.7 billion	$460 million	$347 million	$0	$334 million	$0
Jayson Flowers	17	1	0	0	0	0
	$1.1 billion	$49 million	$0	$0	$0	$0
Scott Hammond	25	2	7	0	0	0
	$3 billion	$37 million	$457 million	$0	$0	$0
Qi Yan	0	0	0	0	0	0
	$0	$0	$0	$0	$0	$0
Daniel Cheeseman	5	0	0	0	0	0
	$498 million	$0	$0	$0	$0	$0

Scott Barker	0	1		0	0	0	0
	$0	$49 million		$0	$0	$0	$0

Potential Material Conflicts of Interest

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one fund or other account. More specifically, portfolio managers who manage multiple funds and/or other accounts may be presented with one or more of the following potential conflicts.

The management of multiple funds and/or other accounts may result in a portfolio manager devoting unequal time and attention to the management of each fund and/or other account. Guggenheim seeks to manage such competing interests for the time and attention of a portfolio manager by having the portfolio manager focus on a particular investment discipline. Specifically, the ultimate decision maker for security selection for each client portfolio is the Sector Specialist Portfolio Manager. They are responsible for analyzing and selecting specific securities that they believe best reflect the risk and return level as provided in each client's investment guidelines.

Guggenheim may have clients with similar investment strategies. As a result, if an investment opportunity would be appropriate for more than one client, Guggenheim may be required to choose among those clients in allocating such opportunity, or to allocate less of such opportunity to a client than it would ideally allocate if it did not have to allocate to multiple clients. In addition, Guggenheim may determine that an investment opportunity is appropriate for a particular account, but not for another.

Allocation decisions are made in accordance with the investment objectives, guidelines, and restrictions governing the respective clients and in a manner that will not unfairly favor one client over another. Guggenheim's allocation policy provides that investment decisions must never be based upon account performance or fee structure. Accordingly, Guggenheim's allocation procedures are designed to ensure that investment opportunities are allocated equitably among different client accounts over time. The procedures also seek to ensure reasonable efficiency in client transactions and to provide portfolio managers with flexibility to use allocation methodologies appropriate to Guggenheim's investment disciplines and the specific goals and objectives of each client account.

In order to minimize execution costs and obtain best execution for clients, trades in the same security transacted on behalf of more than one client may be aggregated. In the event trades are aggregated, Guggenheim's policy and procedures provide as follows: (i) treat all participating client accounts fairly; (ii) continue to seek best execution; (iii) ensure that clients who participate in an aggregated order will participate at the average share price with all transaction costs shared on a pro-rata basis based on each client's participation in the transaction; (iv) disclose its aggregation policy to clients.

Guggenheim, as a fiduciary to its clients, considers numerous factors in arranging for the purchase and sale of clients' portfolio securities in order to achieve best execution for its clients. When selecting a broker, individuals making trades on behalf of Guggenheim clients consider the full range and quality of a broker's services, including execution capability, commission rate, price, financial stability and reliability. Guggenheim is not obliged to merely get the lowest price or commission but also must determine whether the transaction represents the best qualitative execution for the account.

In the event that multiple broker/dealers make a market in a particular security, Guggenheim's Portfolio Managers are responsible for selecting the broker-dealer to use with respect to executing the transaction. The broker-dealer will be selected on the basis of how the transaction can be executed to achieve the most favorable execution for the client under the circumstances. In many instances, there may only be one counter-party active in a particular security at a given time. In such situations the Employee executing the trade will use his/her best effort to obtain the best execution from the counter-party.

Guggenheim and the registrant have adopted certain compliance procedures which are designed to address these types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

Portfolio Manager Compensation Overview

Guggenheim compensates portfolio management staff for their management of the registrant's portfolio. Compensation is evaluated based on their contribution to investment performance relative to pertinent benchmarks and qualitatively based on factors such as teamwork and client service efforts. Guggenheim's staff incentives may include: a competitive base salary, bonus determined by individual and firm wide performance, equity participation, and participation opportunities in various Guggenheim investments. All Guggenheim employees are also eligible to participate in a 401(k) plan to which Guggenheim may make a discretionary match after the completion of each plan year.

Securities Ownership of Portfolio Managers
Combined Fund, as of December 31, 2015:

	Dollar Range of Equity Securities of the Fund Beneficially Owned		
Portfolio Manager	GGE	GEQ	GPM
Farhan Sharaff	None	None	None
Jayson Flowers	None	None	None
Scott Hammond	None	None	None
Qi Yan	None	None	None
Daniel Cheeseman	None	None	None
Scott Barker	None	None	None

U.S. FEDERAL INCOME TAX MATTERS

The following discussion is a brief summary of U.S. federal income tax considerations generally applicable to the Acquiring Fund and the purchase, ownership and disposition of the Acquiring Fund's Common Shares. Except as otherwise noted, this discussion assumes you are a taxable U.S. person (as defined for U.S. federal income tax purposes) and that you hold your common shares as capital assets for U.S. federal income tax purposes (generally, assets held for investment). This discussion is based upon current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the regulations promulgated thereunder and judicial and administrative authorities, all of which are subject to change or differing interpretations by the courts or the Internal Revenue Service (the "IRS"), possibly with retroactive effect. No attempt is made to present a detailed explanation of all U.S. federal, state, local and foreign tax concerns affecting the Fund and its common shareholders (including common shareholders subject to special treatment under U.S. federal income tax law).

The discussions set forth herein and in the Prospectus do not constitute tax advice and potential investors are urged to consult their own tax advisers to determine the specific U.S. federal, state, local and foreign tax consequences to them of investing in the Fund.

Taxation of the Fund

The Fund has elected to be treated and intends to continue to qualify each year as a regulated investment company ("RIC") under Subchapter M of the Code. Accordingly, the Fund must, among other things, (i) derive in each taxable year at least 90% of its gross income from (a) dividends, interest (including tax-exempt interest), payments with respect to certain securities loans, and gains from the sale or other disposition of stock, securities or foreign currencies, or other income (including gain from options, futures and forward contracts) derived with respect to its business of investing in such stock, securities or foreign currencies and (b) net income derived from interests in "qualified publicly traded partnerships" (as defined in the Code); and (ii) diversify its holdings so that, at the end of each quarter of each taxable year (a) at least 50% of the market value of the Fund's total assets is represented by cash and cash items, U.S. Government securities, the securities of other RICs and other securities, with such other securities limited, in respect of any one issuer, to an amount not greater than 5% of the value of the Fund's total assets and not more than 10% of the outstanding voting securities of such issuer and (b) not more than 25% of the market value of the Fund's total assets is invested in the securities (other than U.S. Government securities and the securities of other RICs) of (I) any one issuer, (II) any two or more issuers that the Fund controls and that are determined to be engaged in the same business or similar or related trades or businesses or (III) any one or more "qualified publicly traded partnerships." Generally, a qualified publicly traded partnership includes a partnership the interests of which are traded on an established securities market or readily tradable on a secondary market (or the substantial equivalent thereof) and that derives less than 90% of its gross income from the items described in (i)(a) above.

As long as the Fund qualifies as a RIC, the Fund generally will not be subject to U.S. federal income tax on income and gains that the Fund distributes to its common shareholders, provided that it distributes each taxable year at least 90% of the sum of (i) the Fund's investment company taxable income (which includes, among other items, dividends,

interest, the excess of any net short-term capital gain over net long-term capital loss, and other taxable income, other than any net capital gain (defined below), reduced by deductible expenses) determined without regard to the deduction for dividends paid and (ii) the Fund's net tax-exempt interest (the excess of its gross

tax-exempt interest over certain disallowed deductions), if any. The Fund intends to distribute substantially all of such income each year. The Fund will be subject to income tax at regular corporate rates on any taxable income or gains that it does not distribute to its common shareholders.

The Code imposes a 4% nondeductible excise tax on the Fund to the extent the Fund does not distribute by the end of any calendar year at least the sum of (i) 98% of its ordinary income (not taking into account any capital gain or loss) for the calendar year and (ii) 98.2% of its capital gain in excess of its capital loss (adjusted for certain ordinary losses) for a one-year period generally ending on October 31 of the calendar year. In addition, the minimum amounts that must be distributed in any year to avoid the excise tax will be increased or decreased to reflect any under-distribution or over-distribution, as the case may be, from the previous year. For purposes of the excise tax, the Fund will be deemed to have distributed any income on which it paid federal income tax in the taxable year ending within the calendar year. While the Fund intends to distribute income and capital gain in order to minimize imposition of the 4% nondeductible excise tax, there can be no assurance that amounts of the Fund's taxable income and capital gain will be distributed to avoid entirely the imposition of the excise tax. In that event, the Fund will be liable for the excise tax only on the amount by which it does not meet the foregoing distribution requirement.

If for any taxable year the Fund does not qualify as a RIC, all of its taxable income (including its net capital gain, which consists of the excess of its net long-term capital gain over its net short-term capital loss) will be subject to tax at regular corporate rates without any deduction for distributions to common shareholders, and such distributions will be taxable to the common shareholders as ordinary dividends to the extent of the Fund's current or accumulated earnings and profits. As described below, such dividends, however, would be eligible (i) to be treated as "qualified dividend income" in the case of common shareholders taxed as individuals and (ii) for the dividends received deduction in the case of corporate common shareholders, subject, in each case, to certain holding period and other requirements. To qualify again to be taxed as a RIC in a subsequent year, the Fund would generally be required to distribute to its common shareholders its earnings and profits attributable to non-RIC years. If the Fund fails to qualify as a RIC for a period greater than two taxable years, the Fund may be required to recognize and pay tax on any net built-in gains with respect to certain of its assets (i.e., the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if the Fund had been liquidated) or, alternatively, to elect to be subject to taxation on such built-in gain recognized for a period of ten years, in order to qualify as a RIC in a subsequent year.

The Fund's Investments

Certain of the Fund's investment practices are subject to special and complex U.S. federal income tax provisions (including mark-to-market, constructive sale, straddle, wash sale, short sale and other rules) that may, among other things, (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions, including the dividends received deduction, (ii) convert lower taxed long-term capital gains or "qualified dividend income" into higher taxed short-term capital gains or ordinary income, (iii) convert ordinary loss or a deduction into capital loss (the deductibility of which is more limited), (iv) cause the Fund to recognize income or gain without a corresponding receipt of cash, (v) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (vi) adversely alter the characterization of certain complex financial transactions and (vii) produce income that will not be "qualified" income for purposes of the 90% annual gross income requirement described above. These U.S. federal income tax provisions could therefore affect the amount, timing and character of distributions to common shareholders. The Fund intends to monitor its transactions and may make certain tax elections and may be required to dispose of securities to mitigate the effect of these provisions and prevent disqualification of the Fund as a RIC. Additionally, the Fund may be required to limit its activities in derivative instruments in order to enable it to maintain its RIC status.

Certain securities acquired by the Fund may be treated as debt securities that were originally issued at a discount. Generally, the amount of the original issue discount is treated as interest income and is included in taxable income (and required to be distributed by the Fund in order to qualify as a regulated investment company or avoid the 4% excise tax) over the term of the security, even though payment of that amount is not received until a later time, usually when the debt security matures. If the Fund purchases a debt security on a secondary market at a price lower than its adjusted issue price, the excess of the adjusted issue price over the purchase price is "market discount." Unless the Fund

makes an election to accrue market discount on a current basis, generally, any gain realized on the disposition of, and any partial payment of principal on, a debt security having market discount is

treated as ordinary income to the extent the gain, or principal payment, does not exceed the "accrued market discount" on the debt security. Market discount generally accrues in equal daily installments.

The Fund may invest in preferred securities or other securities the U.S. federal income tax treatment of which may not be clear or may be subject to recharacterization by the IRS. To the extent the tax treatment of such securities or the income from such securities differs from the tax treatment expected by the Fund, it could affect the timing or character of income recognized by the Fund, requiring the Fund to purchase or sell securities, or otherwise change its portfolio, in order to comply with the tax rules applicable to regulated investment companies under the Code.

Gain or loss on the sales of securities by the Fund will generally be long-term capital gain or loss if the securities have been held by the Fund for more than one year. Gain or loss on the sale of securities held for one year or less will be short-term capital gain or loss.

Because the Fund may invest in foreign securities, its income from such securities may be subject to non-U.S. taxes. The Fund will not be eligible to elect to "pass through" to common shareholders of the Fund the ability to use the foreign tax deduction or foreign tax credit for foreign taxes paid by the Fund with respect to qualifying taxes.

Income from options on individual stocks written by the Fund will not be recognized by the Fund for tax purposes until an option is exercised, lapses or is subject to a "closing transaction" (as defined by applicable regulations) pursuant to which the Fund's obligations with respect to the option are otherwise terminated. If the option lapses without exercise or is otherwise subject to a closing transaction, the premiums received by the Fund from the writing of such options will generally be characterized as short-term capital gain. If an option written by the Fund is exercised, the Fund may recognize taxable gain depending on the exercise price of the option, the option premium, and the fair market value of the security underlying the option. The character of any gain on the sale of the underlying security as short-term or long-term capital gain will depend on the holding period of the Fund in the underlying security. In general, distributions received by shareholders of the Fund that are attributable to short-term capital gains recognized by the Fund from its option writing activities will be taxed to such shareholders as ordinary income and will not be eligible for the reduced tax rate applicable to qualified dividend income.

Options on indices of securities and sectors of securities that qualify as "section 1256 contracts" will generally be "marked-to-market" for U.S. federal income tax purposes. As a result, the Fund will generally recognize gain or loss on the last day of each taxable year equal to the difference between the value of the option on that date and the adjusted basis of the option. The adjusted basis of the option will consequently be increased by such gain or decreased by such loss. Any gain or loss with respect to options on indices and sectors that qualify as "section 1256 contracts" will be treated as short-term capital gain or loss to the extent of 40% of such gain or loss and long-term capital gain or loss to the extent of 60% of such gain or loss. Because the mark-to-market rules may cause the Fund to recognize gain in advance of the receipt of cash, the Fund may be required to dispose of investments in order to meet its distribution requirements. "Mark-to-market" losses may be suspended or otherwise limited if such losses are part of a straddle or similar transaction.

Taxation of Common Shareholders

The Fund will either distribute or retain for reinvestment all or part of its net capital gain. If any such gain is retained, the Fund will be subject to a corporate income tax (currently at a maximum rate of 35%) on such retained amount. In that event, the Fund expects to designate the retained amount as undistributed capital gain in a notice to its common shareholders, each of whom, if subject to U.S. federal income tax on long-term capital gains, (i) will be required to include in income for U.S. federal income tax purposes as long-term capital gain its share of such undistributed amounts, (ii) will be entitled to credit its proportionate share of the tax paid by the Fund against its U.S. federal income tax liability and to claim refunds to the extent that the credit exceeds such liability and (iii) will increase its basis in its common shares by the amount of undistributed capital gain included in such common shareholder's gross income net of the tax deemed paid by the shareholder under clause (ii).

Distributions paid to you by the Fund from its net capital gains, if any, that the Fund properly reports as capital gains dividends ("capital gain dividends") are taxable as long-term capital gains, regardless of how long you have held your common shares. All other dividends paid to you by the Fund (including dividends from net short-term capital gains) from its current or accumulated earnings and profits ("ordinary income dividends") are generally

subject to tax as ordinary income. Special rules apply, however, to ordinary income dividends paid to individuals. For corporate taxpayers, both ordinary income dividends and capital gain dividends are taxed at a maximum rate of 35%. Capital gain dividends are not eligible for the dividends received deduction.

Properly reported ordinary income dividends received by corporate holders of common shares generally will be eligible for the dividends received deduction to the extent that the Fund's income consists of dividend income from U.S. corporations and certain holding period and other requirements are satisfied by both the Fund and the corporate shareholders. In the case of common shareholders who are individuals, properly reported ordinary income dividends that you receive from the Fund generally will be eligible for taxation at the rates applicable to long-term capital gains to the extent that (i) the ordinary income dividend is attributable to "qualified dividend income" (i.e., generally dividends paid by U.S. corporations and certain foreign corporations) received by the Fund, (ii) the Fund satisfies certain holding period and other requirements with respect to the stock on which such qualified dividend income was paid and (iii) you satisfy certain holding period and other requirements with respect to your common shares. In addition, for dividends to be eligible for the dividends received deduction or for reduced rates applicable to individuals, the Fund cannot have an option to sell or be under a contractual obligation to sell (pursuant to a short sale or otherwise) substantially identical stock or securities. Accordingly, the Fund's writing of call options may, depending on the terms of the option, adversely impact the Fund's ability to pay dividends eligible for the dividends received deduction or for reduced rates applicable to individuals. Qualified dividend income eligible for these special rules is not actually treated as capital gains, however, and thus will not be included in the computation of your net capital gain and generally cannot be used to offset any capital losses.

Any distributions you receive that are in excess of the Fund's current and accumulated earnings and profits will be treated as a tax-free return of capital to the extent of your adjusted tax basis in your common shares, and thereafter as capital gain from the sale of common shares (assuming the common shares are held as a capital asset). The amount of any Fund distribution that is treated as a tax-free return of capital will reduce your adjusted tax basis in your common shares, thereby increasing your potential gain or reducing your potential loss on any subsequent sale or other disposition of your common shares.

Common shareholders may be entitled to offset their capital gain dividends with capital losses. The Code contains a number of statutory provisions affecting when capital losses may be offset against capital gain, and limiting the use of losses from certain investments and activities. Accordingly, common shareholders that have capital losses are urged to consult their tax advisers.

Dividends and other taxable distributions are taxable to you even though they are reinvested in additional common shares of the Fund. Dividends and other distributions paid by the Fund are generally treated under the Code as received by you at the time the dividend or distribution is made. If, however, the Fund pays you a dividend in January that was declared in the previous October, November or December and you were the common shareholder of record on a specified date in one of such months, then such dividend will be treated for U.S. federal income tax purposes as being paid by the Fund and received by you on December 31 of the year in which the dividend was declared. In addition, certain other distributions made after the close of the Fund's taxable year may be "spilled back" and treated as paid by the Fund (except for purposes of the 4% nondeductible excise tax) during such taxable year. In such case, you will be treated as having received such dividends in the taxable year in which the distributions were actually made.

The price of common shares purchased at any time may reflect the amount of a forthcoming distribution. Those purchasing common shares just prior to the record date for a distribution will receive a distribution which will be taxable to them even though it represents in part a return of invested capital.

The Fund will send you information after the end of each year setting forth the amount and tax status of any distributions paid to you by the Fund.

Ordinary income dividends and capital gain dividends also may be subject to state and local taxes. Common shareholders are urged to consult their own tax advisers regarding specific questions about U.S. federal (including the application of the alternative minimum tax rules), state, local or foreign tax consequences to them of investing in the Fund.

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The sale or other disposition of common shares will generally result in capital gain or loss to you and will be long-term capital gain or loss if you have held such common shares for more than one year at the time of sale. Any loss upon the sale or other disposition of common shares held for six months or less will be treated as long-term capital loss to the extent of any capital gain dividends received (including amounts credited as an undistributed capital gain dividend) by you with respect to such common shares. Any loss you recognize on a sale or other disposition of common shares will be disallowed if you acquire other common shares (whether through the automatic reinvestment of dividends or otherwise) within a 61-day period beginning 30 days before and ending 30 days after your sale or exchange of the common shares. In such case, your tax basis in the common shares acquired will be adjusted to reflect the disallowed loss.

Current U.S. federal income tax law taxes both long-term and short-term capital gain of corporations at the rates applicable to ordinary income. For non-corporate taxpayers, short-term capital gain is currently taxed at rates applicable to ordinary income while long-term capital gain generally is taxed at a reduced maximum rate. The deductibility of capital losses is subject to limitations under the Code.

An additional 3.8% Medicare tax will be imposed on certain net investment income (including ordinary dividends and capital gain distributions received from a Fund and net gains from redemptions or other taxable dispositions of Fund shares) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds certain threshold amounts.

A common shareholder that is a nonresident alien individual or a foreign corporation (a "foreign investor") generally will be subject to U.S. federal withholding tax at the rate of 30% (or possibly a lower rate provided by an applicable tax treaty) on ordinary income dividends (except as discussed below). In general, U.S. federal withholding tax and U.S. federal income tax will not apply to any gain or income realized by a foreign investor in respect of any distribution of net capital gain (including amounts credited as an undistributed capital gain dividend) or upon the sale or other disposition of common shares of the Fund. Different tax consequences may result if the foreign investor is engaged in a trade or business in the United States or, in the case of an individual, is present in the United States for 183 days or more during a taxable year and certain other conditions are met.

Foreign investors should consult their tax advisers regarding the tax consequences of investing in the Fund's common shares.

Dividends properly reported by the Fund are generally exempt from U.S. federal withholding tax where they (i) are paid in respect of the Fund's "qualified net interest income" (generally, the Fund's U.S.-source interest income, other than certain contingent interest and interest from obligations of a corporation or partnership in which the Fund is at least a 10% shareholder, reduced by expenses that are allocable to such income) or (ii) are paid in respect of the Fund's "qualified short-term capital gains" (generally, the excess of the Fund's net short-term capital gain over the Fund's long-term capital loss for such taxable year). Depending on its circumstances, the Fund may report all, some or none of its potentially eligible dividends as such qualified net interest income or as qualified short-term capital gains, and/or treat such dividends, in whole or in part, as ineligible for this exemption from withholding. In order to qualify for this exemption from withholding, a foreign investor needs to comply with applicable certification requirements relating to its non-U.S. status (including, in general, furnishing an IRS Form W-8BEN, W-8BEN-E or substitute Form). In the case of common shares held through an intermediary, the intermediary may withhold even if the Fund reports the payment as qualified net interest income or qualified short-term capital gain. Foreign investors should contact their intermediaries with respect to the application of these rules to their accounts. There can be no assurance as to what portion of the Fund's distributions will qualify for favorable treatment as qualified net interest income or qualified short-term capital gains.

In addition, withholding at a rate of 30% is required on dividends in respect of, and, after December 31, 2018, on gross proceeds from the sale of, common shares held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury to report, on an annual basis, information with respect to shares in, and accounts maintained by, the institution to the extent such shares or accounts are held by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments. Accordingly, the entity through which common shares are held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and, after

December 31, 2018, gross proceeds from the sale of, common shares held by an investor

that is a non-financial non-U.S. entity will be subject to withholding at a rate of 30%, unless such entity either (i) certifies that such entity does not have any "substantial U.S. owners" or (ii) provides certain information regarding the entity's "substantial U.S. owners," which the applicable withholding agent will in turn provide to the Secretary of the Treasury. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations or other guidance, may modify these requirements. Non-U.S. common shareholders are encouraged to consult with their tax advisers regarding the possible implications of these rules on their investment in our common shares.

The Fund may be required to withhold, for U.S. federal backup withholding tax purposes, a portion of the dividends, distributions and redemption proceeds payable to certain non-exempt common shareholders who fail to provide the Fund (or its agent) with their correct taxpayer identification number (in the case of individuals, generally, their social security number) or to make required certifications, or who are otherwise subject to backup withholding. Backup withholding is not an additional tax and any amount withheld may be refunded or credited against your U.S. federal income tax liability, if any, provided that you timely furnish the required information to the IRS.

PORTFOLIO TRANSACTIONS

Subject to policies established by the Board, the Adviser is responsible for placing purchase and sale orders and the allocation of brokerage on behalf of the Combined Fund. Transactions in equity securities are in most cases effected on U.S. stock exchanges and involve the payment of negotiated brokerage commissions. In general, there may be no stated commission in the case of securities traded in over-the-counter markets, but the prices of those securities may include undisclosed commissions or mark-ups. Principal transactions are not entered into with affiliates of the Combined Fund. The Combined Fund has no obligations to deal with any broker or group of brokers in executing transactions in portfolio securities. In executing transactions, the Adviser seeks to obtain the best price and execution for the Combined Fund, taking into account such factors as price, size of order, difficulty of execution and operational facilities of the firm involved and the firm's risk in positioning a block of securities. While the Adviser generally seeks reasonably competitive commission rates, the Combined Fund does not necessarily pay the lowest commission available.

Subject to obtaining the best price and execution, brokers who provide supplemental research, market and statistical information to the Adviser or its affiliates may receive orders for transactions by the Combined Fund. The term "research, market and statistical information" includes advice as to the value of securities, and advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities, and furnishing analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts. Information so received will be in addition to and not in lieu of the services required to be performed by the Adviser, and the expenses of the Adviser will not necessarily be reduced as a result of the receipt of such supplemental information. Such information may be useful to the Adviser and its affiliates in providing services to clients other than the Combined Fund, and not all such information is used by the Adviser in connection with the Combined Fund. Conversely, such information provided to the Adviser and its affiliates by brokers and dealers through whom other clients of the Adviser and its affiliates effect securities transactions may be useful to the Adviser in providing services to the Combined Fund.

Although investment decisions for the Combined Fund are made independently from those of the other accounts managed by the Adviser and its affiliates, investments of the kind made by the Combined Fund may also be made by those other accounts. When the same securities are purchased for or sold by the Combined Fund and any of such other accounts, it is the policy of the Adviser and its affiliates to allocate such purchases and sales in the manner deemed fair and equitable to all of the accounts, including the Combined Fund.

Information about the brokerage commissions paid by the Funds is set forth in the following tables:

For the Fiscal Year Ended[1]	Aggregate Brokerage Commissions		
	GGE	GEQ	GPM
2015	$283,768	$272,211	$425,003
2014	$314,271	$281,924	$596,537
2013	$440,369	$442,680	$765,808

(1) The fiscal year end for GGE, GEQ and GPM are October 31, December 31 and December 31, respectively.

During the fiscal year ended in 2015, the Funds paid $0 in brokerage commissions on transactions totaling $0 to brokers selected primarily on the basis of research services provided to the Adviser. Each Fund paid no commissions to affiliated brokers during each Fund's previous three fiscal years.

OTHER INFORMATION

Custody of Assets

All securities owned by the Funds and all cash, including proceeds from the sale of securities in each Fund's investment portfolio, are held by The Bank of New York Mellon, 101 Barclay Street, New York, New York 10286, as custodian (the "Custodian"). The Custodian is responsible for holding all securities, other investments and cash, receiving and paying for securities purchased, delivering against payment securities sold, receiving and collecting income from investments, making all payments covering expenses and performing other administrative duties, all as directed by authorized persons. The Custodian does not exercise any supervisory function in such matters as purchase and sale of portfolio securities, payment of dividends or payment of expenses.

All securities that will be owned by the Combined Fund and all cash, including proceeds from the sale of securities in the Combined Fund's investment portfolio, will be held by the Custodian. With respect to the Combined Fund, the Custodian will be responsible for holding all securities, other investments and cash, receiving and paying for securities purchased, delivering against payment securities sold, receiving and collecting income from investments, making all payments covering expenses and performing other administrative duties, all as directed by authorized persons. The Custodian will not exercise any supervisory function in such matters as purchase and sale of portfolio securities, payment of dividends or payment of expenses.

Transfer Agent, Dividend Disbursing Agent and Registrar

Computershare Shareowner Services LLC, 480 Washington Boulevard, Jersey City, New Jersey 07310, serves as transfer agent and registrar and Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842, serves as dividend disbursing agent and agent under the Fund's Dividend Reinvestment Plan, with respect to each Fund's common shares.

Code of Ethics

Each of the Funds, the Investment Advisers has adopted a code of ethics (the "Code of Ethics") in compliance with Section 17(j) of the 1940 Act and Rule 17j-1 thereunder. Each Code of Ethics establishes procedures for personal investing and restricts certain transactions. Employees subject to a Code of Ethics may invest in securities for their personal investment accounts, including making investments in securities that may be purchased or held by a Fund. The Codes of Ethics are available on the EDGAR Database on the SEC's website at www.sec.gov. In addition, the Codes of Ethics can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling the SEC at (202) 551-8090. Copies of the Codes of Ethics 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, DC 20549-0102.

Proxy Voting Policy

The Board of the Acquiring Fund has delegated the voting of proxies for the Acquiring Fund's securities to GPIM pursuant to GPIM's proxy voting guidelines. Under these guidelines, GPIM will vote proxies related to Fund securities in the best interests of the Fund and its shareholders. A copy of GPIM's Proxy Voting Policy and Procedures is included as Appendix B to this Statement of Additional Information.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The independent registered public accounting firm for the Funds performs an annual audit of each Fund's financial statements. Each Fund's Board has appointed Ernst & Young LLP to be each Fund's independent registered public accounting firm. Ernst & Young LLP is located at 8484 Westpark Drive McLean, VA 22102.

FINANCIAL STATEMENTS

The financial statements of GGE for the fiscal year ended October 31, 2015 are incorporated by reference herein to GGE's annual report filed on Form N-CSR on January 7, 2016. The unaudited financial statements of GGE for the semi-annual period ended April 30, 2016 are incorporated by reference herein to GGE's semi-annual report filed on Form N-CSRS on July 7, 2016.

The financial statements of GEQ for the fiscal year ended December 31, 2015 are incorporated by reference herein to GEQ's annual report filed on Form N-CSR on March 9, 2016. The unaudited financial statements of GEQ for the semi-annual period ended June 30, 2016 are incorporated by reference herein to GEQ's semi-annual report filed on Form N-CSRS on September 2, 2016.

The financial statements of GPM for the fiscal year ended December 31, 2015 are incorporated by reference herein to GPM's annual report filed on Form N-CSR on March 9, 2016. The unaudited financial statements of GPM for the semi-annual period ended June 30, 2016 are incorporated by reference herein to GPM's semi-annual report filed on Form N-CSRS on September 2, 2016.

PRO FORMA FINANCIAL STATEMENTS

Set forth in Appendix A hereto are unaudited pro forma financial statements of the Combined Fund giving effect to the Mergers of the Target Funds with the Acquiring Fund which include: (i) Pro forma Condensed Combined Schedule of Investments at June 30, 2016; (ii) Pro forma Condensed Combined Statement of Assets and Liabilities at June 30, 2016; (iii) Pro forma Condensed Combined Statement of Operations for the 12-month period ended June 30, 2016; and (iv) Notes to Pro forma Condensed Combined Financial Statements.

APPENDIX A
PRO FORMA FINANCIAL STATEMENTS
Pro Forma Portfolio of Investments
June 30, 2016 (Unaudited)

Shares				Value			
GEQ	GGE	GPM	Pro Forma Combined Fund (GEQ and GGE into GPM)	GEQ	GGE	GPM	Pro Forma Combined Fund (GEQ and GGE into GPM)
COMMON STOCKS† - 51.7%							
Consumer, Non-cyclical - 10.5%							
Hershey Co.[1]	4,331	-	4,331	$491,525	-	-	491,525
Tyson Foods, Inc. — Class A[1]			6,893				460,384
General Mills, Inc.[1]			6,383				455,236
Mead Johnson Nutrition Co. — Class A[1]			4,983				452,207
Constellation Brands, Inc. — Class A[1]			2,722				450,219
McCormick & Company, Inc.[1]			4,183				446,201
Eli Lilly & Co.[1]			5,646				444,622
Campbell Soup Co.[1]			6,659				443,023
JM Smucker Co.[1]			2,895				