



HIGHLAND RECEIVES BOARD APPROVAL TO BECOME INVESTMENT ADVISOR FOR GE FUNDS

Creates Robust Retail Platform for GE Funds, Service and Support

Stamford, CT/Dallas, TX – September 27, 2010 – GE Asset Management (“GEAM”) today announced that the GE Funds Board of Trustees has approved a proposal for Highland Funds Asset Management, L.P. (“Highland Funds”) to become the GE Funds’ new investment advisor, pending shareholder approval.

Under the arrangement, Highland Funds would serve as the funds’ advisor. GEAM would continue to manage the assets of all of the GE Funds with the exception of the GE Small-Cap Equity Fund, which currently uses other third-party sub-advisors.

The GE Funds family is comprised of 16 mutual funds for individual investors with approximately \$1 billion in total assets. Highland Funds is an affiliate of Highland Capital Management, L.P. (“Highland”), which currently offers a family of mutual funds for individuals and has \$2.1 billion in total retail assets under management. The GE Funds’ array of offerings complements Highland’s lineup and provides Highland with a broader product range.

If approved, the appointment of Highland as the GE Funds’ new investment advisor will combine Highland’s and its affiliates’ established advisor and retail distribution capabilities with GEAM’s capabilities as an investment manager. While GEAM will continue to sub-advise all of the funds it currently advises with the exception of the GE Small-Cap Equity Fund, the funds will take the Highland name subsequent to shareholder approval.

“Our agreement with Highland helps position our firm for continued growth and will allow us to extend our investment capabilities to a wider group of individuals through Highland’s growing platform,” said Jay Ireland, GEAM’s President and CEO. “We are very excited to establish this relationship with Highland, an organization that has significant expertise in bringing high-quality and unique investment options to investors.”

“For more than two decades, GEAM has brought its 80-year heritage of investment expertise to the marketplace, which includes individuals who invest in the GE Funds directly and through intermediaries,” added Mike Cosgrove, President and CEO of Mutual Funds at GEAM. “Our decision reflects our commitment to this market, while also better aligning our business model with our core strengths as an institutional asset manager and limiting our servicing responsibilities in this area.”



“We are proud to add such an established suite of funds that further cements our commitment to a best-of-breed platform, enhanced distribution and top-tier client service,” said Joe Dougherty, Partner and Head of Retail Products at Highland. “With this addition, our strengthened platform provides an attractive, diverse set of solutions to meet investors’ evolving needs.”

The GEAM/Highland transaction does not involve or affect any other fund families for which GEAM serves as investment advisor, including the GE Institutional Funds (retirement plans), GE Investments Funds, Inc. (variable annuity), Elfun Funds, or GE Savings and Security (S&S) Funds. GEAM will continue to manage and service all funds in these families going forward.

Terms of the proposed transaction are not being disclosed.

The appointment of Highland Funds as the new investment advisor of the GE Funds will require approval via a shareholder proxy process that will occur over the coming months.

Shareholders of the GE Funds who would like more information can contact GEAM at 1-800-242-0134.

About GE Asset Management

GEAM is a global asset manager wholly owned by General Electric Company, a global infrastructure, finance and media company taking on the world’s toughest challenges. Built on an 80-year heritage of investment experience, GEAM, along with its subsidiaries, today manages approximately \$114 billion (as of June 30, 2010) in total assets. Portfolios managed by GEAM and its subsidiaries include client assets for leading institutions and individual investors around the world, and the \$40 billion GE U.S. Pension Trust. Investment strategies are offered across all major asset classes, including U.S. and non-U.S. equities, fixed income, and alternative assets.

Securities offered through GE Investment Distributors, Inc., a registered broker-dealer (Member FINRA & SIPC), a wholly-owned subsidiary of GE Asset Management Incorporated.

Before investing in a mutual fund, one should carefully consider the investment objectives, risks and charges and expenses of the fund. For a free copy of a GE Funds prospectus, which contains this and other information, please visit our website at www.geam.com or call 1-800-242-0134. Please read the fund prospectus carefully before investing.



About Highland Funds

Highland Funds is an affiliate of Highland Capital Management, L.P. ("Highland"). Based in Dallas, Texas, with offices and affiliates in New York, Singapore, and London, Highland is an SEC-registered investment advisor with approximately \$22 billion of assets under management. Founded in 1993, Highland is one of the largest global alternative fixed income managers, specializing in bank loans, high-yield credit, distressed credit, structured products, equities, and real assets.

The Highland Funds complex consists of a number of distinct registered investment companies falling into three types: open-end "mutual" funds; closed-end "interval" funds; and traditional closed-end funds.

Investors should consider the investment objectives, risks, charges and expenses of the Highland Funds carefully before investing. Please call 1-877-665-1287 or visit www.highlandfunds.com for more information on the Funds. Please read the prospectus carefully before you invest.

Securities may be offered through NexBank Securities, Inc., an affiliate of Highland Capital Management, L.P. NexBank Securities, Inc. is a FINRA member firm.

This press release contains statements, which may constitute "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Those statements include the anticipated time of closing and anticipated earn-out amounts. The company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.

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