



**WILMINGTON  
TRUST**

MEMBER OF THE M&T FAMILY

**WILMINGTON TRUST COLLECTIVE INVESTMENT TRUST**

**WTNA STABLE VALUE FUNDS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

Wilmington Trust Collective Investment Trust  
WTNA Stable Value Funds

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## INDEPENDENT AUDITOR'S REPORT

Wilmington Trust, N.A., Trustee for  
Wilmington Trust Collective Investment Trust

### Opinion

We have audited the financial statements of WTNA Stable Value Funds of Wilmington Trust Collective Investment Trust (the "Funds"), which comprise the statement of assets and liabilities, including the schedules of investments, as of December 31, 2021, the related statements of operations and changes in net assets, and the financial highlights for the year then ended, or for the period then ended for inception dates in 2021, and the related notes to the financial statements. These financial statements and financial highlights are hereinafter collectively referred to as financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of each Fund as of December 31, 2021, and the results of its operations, changes in its net assets and its financial highlights for the year then ended, or for the period then ended for inception dates in 2021, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Funds and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about each Fund's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of each Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about each Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

#### **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements of each Fund as a whole. The supplementary information for the year ended December 31, 2021, or for the period then ended for inception dates in 2021, following the schedule of investments, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Hogan Taylor LP". The signature is written in a cursive, flowing style.

Tulsa, Oklahoma  
April 29, 2022

Wilmington Trust Collective Investment Trust  
WTNA Stable Value Funds

FUND INDEX

FUND NAME

FUND OBJECTIVE

**WTNA Stable Value Fund**

The objective of the Fund is to provide consistent returns and a competitive level of income consistent with providing capital preservation.

**WTNA Stable Value Fund II**

The objective of the Fund is to provide consistent returns and a competitive level of income consistent with providing capital preservation.

# Wilmington Trust Collective Investment Trust

## WTNA Stable Value Funds

### WTNA Stable Value Fund

#### Schedule of Investments December 31, 2021

	Principal Amount or Shares	Cost	Fair Value
<u>Guaranteed Investment Contracts - 94.3%</u>			
Great-West Guaranteed Funding Agreement 599950-01	1,539,665,223	\$ 1,539,665,223	\$ 1,539,665,223
Total Guaranteed Investment Contracts		1,539,665,223	1,539,665,223
<u>Money Market Funds - 5.1%</u>			
Northern Institutional Treasury Portfolio - Premier Class	82,755,582	82,755,582	82,755,582
Total Money Market Funds		82,755,582	82,755,582
Total Investments - 99.4%		\$ 1,622,420,805	1,622,420,805
Other Assets and Liabilities, Net - 0.6%			9,081,559
Net Assets - 100.0%			\$ 1,631,502,364

The following is a summary of the fair value of the investments in the Fund based on the inputs used to value them as of December 31, 2021 (see Note 4 in Notes to the Financial Statements):

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Guaranteed Investment Contracts	\$ -	\$ 1,539,665,223	\$ -	\$ 1,539,665,223
Money Market Funds	82,755,582	-	-	82,755,582
Total	\$ 82,755,582	\$ 1,539,665,223	\$ -	\$ 1,622,420,805

**Concentration of Ownership:** As of December 31, 2021, the Fund had three unitholders holding 10% or more of the outstanding units of the Fund, and aggregated to 55.6% of the Fund's total units outstanding.

**Supplementary Information:** Total investment purchases, sales proceeds, and realized gain for the year ended December 31, 2021, were:

	Purchases at Cost	Sales Proceeds	Realized Gain
Investments	\$ 2,117,886,821	\$ 532,607,701	\$ -

# Wilmington Trust Collective Investment Trust

## WTNA Stable Value Funds

### WTNA Stable Value Fund

#### Statement of Assets and Liabilities December 31, 2021

**Assets**

Investments in securities, at fair value (cost \$1,622,420,805)	\$ 1,622,420,805
Receivable for fund units sold	10,379,961
Receivable for reimbursement	243,150
Interest receivable	355
<b>Total assets</b>	<b>1,633,044,271</b>

**Liabilities**

Payable for fund units redeemed	1,423,490
Accrued expenses	118,417
<b>Total liabilities</b>	<b>1,541,907</b>

**Net Assets**

**\$ 1,631,502,364**

#### Statement of Operations For the year ended December 31, 2021

**Investment Income (Loss)**

**Income**

Interest	\$ 17,059,186
<b>Total income</b>	<b>17,059,186</b>

**Expenses**

Trustee fees	204,413
Professional services and other operating expenses	66,775
Expense reimbursement	(204,413)
<b>Total expenses</b>	<b>66,775</b>
<b>Net investment income</b>	<b>16,992,411</b>

**Increase in net assets from operations**

**\$ 16,992,411**

# Wilmington Trust Collective Investment Trust

## WTNA Stable Value Funds

### WTNA Stable Value Fund

#### Statement of Changes in Net Assets For the year ended December 31, 2021

**Increase (Decrease) in Net Assets**

**Operations**

Net investment income	\$ 16,992,411
Increase in net assets from operations	16,992,411

**Unit transactions**

Proceeds from units issued	
Class R	649,383,323
Value of units redeemed	
Class R	(217,257,961)
Increase in net assets resulting from unit transactions	432,125,362
Increase in net assets	449,117,773
Net assets, beginning of year	1,182,384,591
<b>Net assets, end of year</b>	<b>\$ 1,631,502,364</b>



# Wilmington Trust Collective Investment Trust

## WTNA Stable Value Funds

### WTNA Stable Value Fund

#### Financial Highlights For the year ended December 31, 2021

<b>Per Unit Operating Performance</b>	<b>Class R</b>
Net asset value, beginning of year	\$ 10.55
Investment operations:	
Net investment income <sup>(1)</sup>	0.13
Total from investment operations	0.13
<b>Net asset value, end of year</b>	<b>\$ 10.68</b>
<b>Total Return</b> <sup>(2)</sup>	1.25%
<b>Supplemental Data</b>	
Ratio to average net assets:	
Gross expenses (excluding reimbursement)	0.02%
Net expenses	0.00%
Net investment income	1.25%
<b>Unit Activity</b>	
Units, beginning of year	112,067,364
Issued	61,093,021
Redeemed	(20,442,101)
Units, end of year	<u>152,718,284</u>

<sup>(1)</sup> Based on average units outstanding.

<sup>(2)</sup> Total return is calculated based on the unrounded net asset value per unit.

# Wilmington Trust Collective Investment Trust

## WTNA Stable Value Funds

### WTNA Stable Value Fund II

#### Schedule of Investments December 31, 2021

	Principal Amount or Shares	Cost	Fair Value
<u>Guaranteed Investment Contracts - 96.8%</u>			
Great-West Guaranteed Funding Agreement 599954-01	1,211,137	\$ 1,211,137	\$ 1,211,137
Total Guaranteed Investment Contracts		1,211,137	1,211,137
<u>Money Market Funds - 3.0%</u>			
Northern Institutional Treasury Portfolio - Premier Class	37,766	37,766	37,766
Total Money Market Funds		37,766	37,766
Total Investments - 99.8%		\$ 1,248,903	1,248,903
Other Assets and Liabilities, Net - 0.2%			2,294
Net Assets - 100.0%			\$ 1,251,197

The following is a summary of the fair value of the investments in the Fund based on the inputs used to value them as of December 31, 2021 (see Note 4 in Notes to the Financial Statements):

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Guaranteed Investment Contracts	\$ -	\$ 1,211,137	\$ -	\$ 1,211,137
Money Market Funds	37,766	-	-	37,766
Total	\$ 37,766	\$ 1,211,137	\$ -	\$ 1,248,903

**Concentration of Ownership:** As of December 31, 2021, the Fund had two unitholders holding 10% or more of the outstanding units of the Fund, and aggregated to 100.0% of the Fund's total units outstanding.

**Supplementary Information:** Total investment purchases, sales proceeds, and realized gain for the period ended December 31, 2021, were:

	Purchases at Cost	Sales Proceeds	Realized Gain
Investments	\$ 2,082,315	\$ 833,412	\$ -

# Wilmington Trust Collective Investment Trust WTNA Stable Value Funds

## WTNA Stable Value Fund II

### Statement of Assets and Liabilities December 31, 2021

<b>Assets</b>	
Investments in securities, at fair value (cost \$1,248,903)	\$ 1,248,903
Cash and cash equivalents	<u>2,528</u>
Total assets	<u>1,251,431</u>
<b>Liabilities</b>	
Accrued expenses	<u>234</u>
Total liabilities	<u>234</u>
<b>Net Assets</b>	<u><u>\$ 1,251,197</u></u>

### Statement of Operations For the period from February 1, 2021 (date of inception) to December 31, 2021

<b>Investment Income (Loss)</b>	
<b>Income</b>	
Interest	\$ 11,609
Total income	<u>11,609</u>
<b>Expenses</b>	
Trustee fees	582
Professional services and other operating expenses	<u>47</u>
Total expenses	<u>629</u>
Net investment income	<u>10,980</u>
<b>Increase in net assets from operations</b>	<u><u>\$ 10,980</u></u>

# Wilmington Trust Collective Investment Trust WTNA Stable Value Funds

## WTNA Stable Value Fund II

### Statement of Changes in Net Assets For the period from February 1, 2021 (date of inception) to December 31, 2021

**Increase (Decrease) in Net Assets**

**Operations**

Net investment income	\$	10,980
Increase in net assets from operations		10,980

**Unit transactions**

Proceeds from units issued		
Class R		1,714,823
Value of units redeemed		
Class R		(474,606)
Increase in net assets resulting from unit transactions		1,240,217
Increase in net assets		1,251,197
Net assets, beginning of period		-
<b>Net assets, end of period</b>	<b>\$</b>	<b>1,251,197</b>

# Wilmington Trust Collective Investment Trust WTNA Stable Value Funds

## WTNA Stable Value Fund II

### Financial Highlights For the period from February 1, 2021 (date of inception) to December 31, 2021

<b>Per Unit Operating Performance</b>	<b>Class R</b>
Net asset value, beginning of period	\$ 10.00
Investment operations:	
Net investment income <sup>(1)</sup>	0.11
Total from investment operations	0.11
<b>Net asset value, end of period</b>	<b>\$ 10.11</b>
<b>Total Return</b> <sup>(2)</sup>	1.06% <sup>^</sup>
<b>Supplemental Data</b>	
Ratio to average net assets:	
Expenses	0.06% <sup>#</sup>
Net investment income	1.13% <sup>#</sup>
<b>Unit Activity</b>	
Units, beginning of period	-
Issued	171,072
Redeemed	(47,263)
Units, end of period	123,809

<sup>(1)</sup> Based on average units outstanding.

<sup>(2)</sup> Total return is calculated based on the unrounded net asset value per unit.

<sup>^</sup> Not annualized for periods less than one year.

<sup>#</sup> Annualized except audit expense.

# Wilmington Trust Collective Investment Trust

## WTNA Stable Value Funds

### Notes to the Financial Statements

December 31, 2021

#### Note 1 – Organization

Wilmington Trust Collective Investment Trust (the "Trust") is intended to constitute an exempt trust under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and a group trust within the meaning of Rev. Rul. 81-100, as amended. The Trust is exempt from registration under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended. Wilmington Trust, N.A. ("WTNA" or the "Trustee") serves as the Trustee of the Trust.

The Trustee is responsible for maintaining and administering the Trust and its various funds (the "Funds" - see Fund Index) and also serves as the investment manager (the "Investment Manager") to the Funds. M&T Bank Corporation is the ultimate parent of the Trustee. State Street Bank and Trust Company provided custody, transfer agency, and accounting services for the WTNA Stable Value Fund and the WTNA Stable Value Fund II through June 18, 2021 and March 19, 2021, respectively. Effective June 19, 2021 and March 20, 2021, Northern Trust Company has provided custody, transfer agency, and accounting services for the WTNA Stable Value Fund and the WTNA Stable Value Fund II, respectively. The Trustee maintains ultimate fiduciary authority over the management of and investments made in the Funds.

The purpose of the Trust is to allow collective investments by plan sponsors of retirement plans which qualify for exemption from federal income taxation pursuant to Section 501(a) of the Code, by reason of qualifying under Section 401(a) of the Code; tax-exempt governmental plans under Section 414(d) or Section 818(a)(6) of the Code; eligible deferred compensation plans under Section 457(b) of the Code established by a government employer; group trusts or separate accounts consisting solely of assets of the foregoing; and other investors eligible for participation in the Trust. The Trust consists of separate funds with differing investment objectives, which are available for investment by participating plans. An eligible plan may join the Trust, subject to the Trustee's acceptance, and become a participating plan by executing participation documents specified by the Trustee. Not all funds within the Trust are presented herein. The Trustee has claimed an exclusion from the definition of commodity pool operator ("CPO") under the Commodity Exchange Act and the rules of the Commodity Futures Trading Commission ("CFTC") with respect to the Funds, and is therefore not subject to CFTC registration or regulation as a CPO with respect to the Funds.

#### Note 2 – Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Funds are investment companies and follow the accounting and reporting guidance in Financial Accounting Standards Board Accounting Standards Codification Topic No. 946.

**Net Asset Value ("NAV")** – Units of each Fund are valued each day on which the New York Stock Exchange ("NYSE") is open for trading in accordance with the valuation procedures established by the Trustee. The NAV per unit is calculated as of the close of trading on the NYSE (generally, 4:00 p.m. U.S. Eastern time). The NAV per unit is computed by dividing the total fair value of the assets of each Fund, less its liabilities, by the total number of units outstanding at the time of such computation. Investment income earned is reinvested in each Fund and included in the determination of unit values.

## Wilmington Trust Collective Investment Trust

### WTNA Stable Value Funds

#### Notes to the Financial Statements (continued)

December 31, 2021

**Fund Unit Transactions** – The Funds sell new units and repurchase outstanding units on a daily basis. Unit purchases and redemptions are transacted at the NAV of the Funds determined as of the close of business each day. A summary of the Fund unit activity for each Fund is included with its Financial Highlights.

**Investment Valuation** – Investments are valued at their current fair value determined as follows:

**Investment in the Great-West Life and Annuity Insurance Company ("Great-West") Guaranteed Funding Agreement 599950-01 and 599954-01** (the "Agreements") – The Funds may invest in the Agreements which are guaranteed investment accounts invested in the general account of Great-West. The Agreements are fully-benefit responsive and are reported at contract value, which approximates fair value.

**Money Market Funds** – Investments in money market funds are valued at the daily closing net asset value of the respective fund.

When the valuation methods described above are not reflective of fair value, investments are valued at fair value following procedures and/or guidelines determined by or under the direction of the valuation committee established by the Trustee. In light of the judgment involved in fair value decisions, there can be no assurance that a fair value assigned to a particular investment is accurate.

**Cash and Cash Equivalents** – The Funds consider all highly liquid instruments with original maturities of three months or less at the acquisition date to be cash equivalents.

**Investment Transactions and Investment Income** – The Funds record security transactions on a trade date basis. Interest income is accrued at the Agreements' crediting rate. The crediting rate is generally based on the fair value, duration, and yield to maturity of the underlying contract. These contracts typically allow for realized and unrealized gains and losses on the underlying assets to be amortized, usually over the duration of the underlying investments, through adjustments to the future interest crediting rate, rather than reflected immediately in the net assets of the Funds. Great-West guarantees that all qualified participant withdrawals will be at contract value.

**Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Guarantees and Indemnifications** – Under the Funds' organizational documents, each trustee, officer, employee and agent of the Trust is indemnified, to the extent permitted by law, against certain liabilities that may arise in the performance of their duties to the Funds.

Additionally, in the normal course of business, the Funds enter into contracts that contain a variety of indemnification clauses. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and the Trustee believes the risk of loss to be remote.

**Income Tax Status** – The Trust has received a determination from the Internal Revenue Service that the Trust is exempt from federal income taxation under Section 501(a) of the Code. Accordingly, no federal income tax provision is required.

## Wilmington Trust Collective Investment Trust

### WTNA Stable Value Funds

#### Notes to the Financial Statements (continued)

December 31, 2021

**Subsequent Events** – The Trustee has evaluated the effect of subsequent events on the Funds' financial statements through April 29, 2022, which is the date the financial statements were available to be issued, and has determined that there are no material subsequent events, except as noted below, that would require disclosure or adjustment in the Funds' financial statements through this date.

As of December 31, 2021, the Funds did not hold securities of Russian and Ukrainian based companies. The Russian invasion of Ukraine that began on February 24, 2022, has led the United States, the United Kingdom, the European Union and other countries to impose escalating sanctions on Russia and various individuals and businesses affiliated with that country. This has required many global companies to cease doing business in and with Russia and the sanctioned entities, and has required some to wind down or cease their operations in or dealings with Russia. The uncertain future of the severity and duration of this conflict is impacting global political, economic and market conditions. This has adversely impacted global financial markets, causing some market trading to be suspended and/or severely restricted. This ongoing conflict has the potential to significantly and adversely impact the value of holdings connected to these areas of conflict and, thus, the performance of the Funds.

#### **Note 3 – Great-West Guaranteed Funding Agreements**

The Funds invest in the Agreements, which are fully benefit-responsive, with Great-West. The Agreements are funded through the Guaranteed Funding Account which is an account invested in the general account of Great-West. The Agreements are reported at contract value, which approximates fair value. Contract value is the relevant measure for fully benefit-responsive contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Agreements. Contract value represents contributions in the Guaranteed Funding account, plus interest, less any withdrawals. This is the Agreements' guaranteed value.

The Agreements provide a fixed interest rate for a fixed period that will apply to the entire guaranteed value. The interest rate is reset quarterly. Great-West guarantees that the rate will never be less than zero. The average yield earned by the Agreements and the actual interest rate credited to participants for the year ended December 31, 2021, is 1.25%.

Sensitivity analysis is not applicable to the Agreements due to Great-West's discretionary and proprietary nature of the credited interest rate resets. Great-West's pricing committee determines the reset rate based on factors such as, but not limited to, the anticipated investment performance of the general account, the expenses of the general account, and various internal projections.

There are certain events that would limit the ability of the Funds to transact at contract value with Great-West, per the Agreements. The occurrence of those events which would limit the Funds' ability to transact at contract value is not probable. In addition, per the Agreements, certain events allow Great-West to terminate the Agreements with the Funds and settle at an amount different from contract value.

#### **Note 4 – Fair Value Measurements**

Fair value is defined as the price a fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.



## Wilmington Trust Collective Investment Trust

### WTNA Stable Value Funds

#### Notes to the Financial Statements (continued)

December 31, 2021

Various inputs are used in determining the fair value of the Funds' investments. The Trustee has performed an analysis of the significance and character of these inputs to the fair value determination. These inputs are summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, and others).
- Level 3 – Significant unobservable inputs (including the Trustee's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. The aggregate fair value of the investments in each Fund, by input level used as of December 31, 2021, is included following each Fund's Schedule of Investments.

#### Note 5 – Fees and Expenses

**Trustee Fee** – The Trustee receives an annualized fee of 1.5 basis points for trustee services provided to the WTNA Stable Value Fund and an annualized fee of 6 basis points for trustee services provided to the WTNA Stable Value Fund II. During 2021, the WTNA Stable Value Fund terminated the previously held MassMutual Group Annuity Contract No. 395001 and replaced it with the current Great-West Agreement. Trustee fees associated with the MassMutual contract were reimbursed to the Fund during the year.

**Operating Expenses** – The Funds will reimburse the Trustee for any out-of-pocket expenses it may incur on behalf of the Funds that relate directly to Fund operations. These may include, but are not limited to, audit expenses, legal and other fees. Expenses incurred in connection with the investment and reinvestment of Fund assets including without limitation, any transfer agency fees, brokerage commissions and expenses, will be charged against each Fund.

#### Note 6 – Related Party Transactions

The Trustee is a national bank that provides trust and custodial services for tax-advantaged retirement plans as well as trust and investment services to business pension and retirement plans. The Trustee is responsible for managing the Trust's investment and business affairs.

## Wilmington Trust Collective Investment Trust

### WTNA Stable Value Funds

#### Notes to the Financial Statements (continued)

December 31, 2021

#### Note 7 – Risks Associated with Investing in the Funds

In the normal course of business, the Funds trade financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the fair value of the investments. The principal risks associated with investing in each Fund are:

- *Guaranteed Investment Contract.* Guaranteed investment contracts, commonly referred to as GICs, are issued by insurance companies and other financial institutions. The "guarantee" refers to the guarantee by the issuers of specific rates of return for stated periods of time and is based on the claims-paying ability (solvency) of the issuer. The Fund may also use synthetic GICs, which are wrapped by third-party banks, insurance companies and other financial institutions; the Fund relies on the credit of the wrap issuer. Funds holding GICs may impose plan-level redemption restrictions and conditions. (See also Investment Contract.)
- *Industry and Sector Investing.* Concentrating assets in a particular industry, sector of the economy, or markets may increase volatility because the investment will be more susceptible to the impact of market, economic, regulatory, and other factors affecting that industry or sector compared with a more broadly diversified asset allocation.
- *Interest Rate.* Securities are subject to the risk that changes in interest rates will reduce their market value.
- *Investment Contract.* Investment contracts are designed to allow for participant transactions at book value. A principal risk of a stable value fund is investment contract risk. This includes the risks that the issuer will default on its obligation under the contract or that another event of default may occur under the contract rendering it invalid, that the contract will lapse before a replacement contract with favorable terms can be secured, or that the occurrence of certain other events including employer-initiated events could cause the contract to lose its book value withdrawal features. These risks may result in a loss in value to a contract holder. Other primary risks include default risk, which is the possibility that instruments the Fund holds will not meet scheduled interest and/or principal payments, interest rate risk, which includes the risk of reinvesting cash flows at lower interest rates, and liquidity risk, which includes the effect of very large unexpected withdrawals on the Fund's total value. The occurrence of any of these events could cause the Fund to lose value.
- *Issuer.* A stake in any individual security is subject to the risk that the issuer of that security performs poorly, resulting in a decline in the security's value. Issuer-related declines may be caused by poor management decisions, competitive pressures, technological breakthroughs, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors. Additionally, certain issuers may be more sensitive to adverse issuer, political, regulatory, market, or economic developments.
- *Management.* Performance is subject to the risk that the sub-advisor's asset allocation and investment strategies do not perform as expected, which may cause the Fund to underperform its benchmark, other investments with similar objectives, or the market in general. The investment is subject to the risk of loss of income and capital invested, and the sub-advisor does not guarantee its value, performance, or any particular rate of return.
- *Market/Market Volatility.* The market value of the Fund's securities may fall rapidly or unpredictably because of changing economic, political, or market conditions, which may reduce the value of the Fund.

## Wilmington Trust Collective Investment Trust

### WTNA Stable Value Funds

#### Notes to the Financial Statements (continued)

December 31, 2021

- *Mortgage-Backed and Asset-Backed Securities.* Investments in mortgage-backed ("MBS") and asset-backed securities ("ABS") may be subject to increased price volatility because of changes in interest rates, issuer information availability, credit quality of the underlying assets, market perception of the issuer, availability of credit enhancement, and prepayment of principal. The value of ABS and MBS may be adversely affected if the underlying borrower fails to pay the loan included in the security.
- *Prepayment (Call).* The issuer of a debt security may be able to repay principal prior to the security's maturity because of an improvement in its credit quality or falling interest rates. In this event, this principal may have to be reinvested in securities with lower interest rates than the original securities, reducing the potential for income.
- *Restricted/Illiquid Securities.* Restricted and illiquid securities may fall in price because of an inability to sell the securities when desired. Investing in restricted securities may subject the Fund to higher costs and liquidity risk.
- *Stable Value/Stability.* There is no guarantee the Fund will achieve its objective and be able to maintain a stable income without principal volatility. This classic definition of investment risk is greatly mitigated in stable value investing from the use of book value investment contracts. The volatility of the underlying fixed income securities has little impact on contract crediting rates, assuming the overall duration of the portfolio is managed consistently.
- *Underlying Fund/Fund of Funds.* A Fund's risks are closely associated with the risks of the securities and other investments held by the underlying or subsidiary funds, and the ability of the Fund to meet its investment objective likewise depends on the ability of the underlying funds to meet their objectives. Investment in other funds may subject the Fund to higher costs than owning the underlying securities directly because of their management fees and administration costs.