



**FORM ADV PART 2A  
(Firm Brochure)**

**WILMINGTON TRUST INVESTMENT ADVISORS, INC.**  
1100 North Market Street  
Wilmington, Delaware 19890  
302-636-6874

Last Updated: March 29, 2023

This Form ADV Part 2A Firm Brochure ("Brochure") provides information about the qualifications and business practices of Wilmington Trust Investment Advisors, Inc. ("WTIA"). If you have any questions about the contents of this Brochure, please contact us at 1-302-636-6874. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

WTIA is an SEC-registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about WTIA also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 - MATERIAL CHANGES**

Please note the following material changes to this brochure since the last annual update dated March 29, 2022:

- Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss – updated strategy descriptions
- Item 12: Brokerage Practices – clarified use of affiliated broker, M&T Securities

### **ITEM 3 – TABLE OF CONTENTS**

Item 1 – Cover Page	1
Item 2 –Material Changes	2
Item 3 – Table of Contents	3
Item 4 –Advisory Business	4
Item 5 – Fees and Compensation	6
Item 6 – Performance-Based Fees and Side-By-Side Management	9
Item 7 – Types of Clients	9
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss	10
Item 9 – Disciplinary Information	21
Item 10 – Other Financial Industry Activities and Affiliations	21
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	24
Item 12 –Brokerage Practices	25
Item 13 – Review of Accounts	29
Item 14 – Client Referrals and Other Compensation	29
Item 15 – Custody	30
Item 16 – Investment Discretion	30
Item 17 – Voting Client Securities	30
Item 18 – Financial Information	31

## **ITEM 4 – ADVISORY BUSINESS**

### **General Description of Firm**

Wilmington Trust Investment Advisors, Inc. (“WTIA,” “our,” “we” or the “Firm”) was founded in 1995 and is a wholly owned direct subsidiary of Manufacturers and Traders Trust Company (“M&T Bank”), which is a subsidiary of M&T Bank Corporation, a publicly traded bank holding company (NYSE: MTB). WTIA principally provides investment management services to institutional clients, including to its affiliates, Wilmington Trust, N.A. (“WTNA”), Wilmington Trust Company (“WTC”), M&T Bank, and other subsidiaries of M&T Bank Corporation and their clients. Wilmington Trust is a registered service mark used by certain subsidiaries of M&T Bank Corporation (together “Wilmington Trust”). Wilmington Investment Management is a brand name used for investment management-related services offered by the following Wilmington Trust entities: M&T Bank, WTC, WTNA, WTIA, Wilmington Funds Management Corporation (“WFMC”), and Wilmington Trust Investment Management, LLC (“WTIM”).

M&T Bank, through its subsidiaries and affiliates, offers a full range of financial services including investment advisory, corporate and retail banking in the communities of the Northeastern and Mid-Atlantic regions, and also offers certain services (including institutional investment management) to clients throughout the U.S.

### **Description of Advisory Services**

WTIA provides asset management and other investment advisory services to clients including institutions, individuals, high net worth persons, pension plans, defined contribution plans, private foundations, and mutual funds. WTIA offers discretionary and non-discretionary investment management and other advisory services with respect to the following primary areas:

- Equity investing in U.S., developed, developing, and emerging markets small-, and large- capitalization companies
- Fixed income investing in investment grade corporate, municipal and government bonds, U.S. high-yield bonds, emerging markets bonds, and enhanced cash strategies
- Asset allocation strategy investing, including manager selection and portfolio construction using an open architecture approach. Such portfolios are constructed using proprietary asset allocation models that draw upon the Firm's in-house equity and fixed income strengths, supplemented with strategies and products from third party managers
- Alternative asset class investing, including advising with respect to liquid alternatives, hedge funds, private equity funds, and real asset strategies
- Model portfolios based on certain of our investment strategies (“Model Delivery”) that are managed and offered to both affiliated and external financial institutions either directly or through third-party providers that operate platforms or programs. Model Delivery investment portfolio recipients implement WTIA’s recommendations at their discretion. WTIA generally does not have investment discretion or trading responsibilities in connection with Model Delivery arrangements
- Non-discretionary investment advisory services for Defined Contribution Plans using a consultative approach. WTIA provides recommendations to assist plan sponsors in creating an appropriate investment menu for their plan participants

- Non-discretionary Investment Consulting Services including Investment Policy Statement review and development, asset allocation, and manager recommendations.

WTIA provides manager and fund research services to M&T Bank, WTNA, and WTC in connection with those affiliates' Wealth Advisory Services and other offerings.

Further, WTIA serves as the principal sub-adviser to certain portfolios of the Wilmington Funds, an open-end investment company, registered under the Investment Company Act of 1940, and advised by WTIA's affiliate WFMC. WTIA is also a non-discretionary provider of model investment portfolios available to participants in the LPL Manager Select wrap fee program, including clients of M&T Bank personnel acting in their capacity as investment adviser representatives of LPL Financial LLC .

Additionally, pursuant to an intercompany agreement, WTIA leases members of its investment advisory and other staff to certain of its affiliates, including M&T Bank, WTC, WTNA, WFMC, WTIM and People's United Advisors, Inc., whereby such personnel, as employees of those entities, perform a variety of investment management, research, analytical, due diligence and similar functions to support the activities of such affiliates, including in connection with the Wilmington Funds ("Fund Services") managed by WFMC, and private funds managed by WTIM. WTIA also leases designated personnel from one or more of WTC, WTNA, and/or M&T to perform certain Fund Services and to provide investment management and other services, as employees of WTIA.

It is WTIA's policy to obtain and follow a clear statement of investment policy for each client account, based upon the client's investment objectives, financial circumstances, investment restrictions, risk tolerance, and other information provided by the client. Clients may impose reasonable investment restrictions limiting investment in certain securities or types of securities. Such investment restrictions are subject to acceptance by WTIA.

The advice provided by WTIA in the capacity as an Outsourced Chief Investment Officer ("OCIO") combines the services of an investment consultant with the discretionary authority to implement and execute asset allocation, manager selection and investment vehicle decisions within the guidelines of a client's applicable investment policy statement.

As of December 31, 2022, WTIA had \$16,429,172,028 in discretionary assets under management and \$59,262,209 in non-discretionary assets under management for a total of \$16,488,434,237 in total assets under management.

## ITEM 5 – FEES AND COMPENSATION

Generally, WTIA's fees are based on a percentage of assets under management or otherwise based on the volume of assets subject to WTIA's investment advice.

In certain instances, WTIA will accept as a client, an entity or person who is, or previously was, an investment advisory client of WTNA, WTC, M&T Bank and/or another affiliate. In such instances, WTIA's fees are generally consistent with the fees that had been charged by WTIA's affiliate for advisory services prior to the change of service provider and in some instances are lower or higher than the fees set forth below.

The Fee Schedules below are for investment strategies for which WTIA provides discretionary investment advice. Fees are subject to negotiation and can vary from the schedules shown below based on factors such as: client type, asset class, pre-existing relationship, service levels, portfolio complexity, and account size or other special circumstances/requirements. WTIA reserves the right to waive minimum account requirements. Fees for non-discretionary services including Model Delivery services are generally determined in light of the overall relationship and are subject to negotiation.

### Individually Managed Institutional Account Fee Schedules Asset Allocation Management

<b>Asset Allocation Management ("OCIO")</b> {For accounts with more than \$10 million in assets}  Annual Minimum Fee: \$40,000	<ul style="list-style-type: none"><li>• 0.40% first \$15,000,000</li><li>• 0.20% next \$20,000,000</li><li>• 0.15% next \$20,000,000</li><li>• 0.10% on Balance</li></ul>
<b>Asset Allocation Management ("OCIO")</b> {For accounts with \$10 million or less in assets}  Annual Minimum Fee: \$15,000	<ul style="list-style-type: none"><li>• 1.50% first \$1,000,000</li><li>• 0.50% next \$2,000,000</li><li>• 0.25% \$3,000,000 - \$10,000,000</li></ul>

## Equity Management

<b>Large Cap Equity Strategies</b>  (Enhanced Dividend Income Strategy) (Dividend Growth Strategy) (Disciplined Core Equity Strategy) (Large Cap Sector Allocation Strategy) (Fourth Industrial Revolution Equity Strategy) (Capital Appreciation Strategy)  Annual Minimum Fee: \$35,000	<ul style="list-style-type: none"><li>• 0.70% first \$10,000,000</li><li>• 0.60% next \$25,000,000</li><li>• 0.50% next \$50,000,000</li><li>• 0.40% on balance</li></ul>
<b>ESG Equity Strategy</b>  Minimum Account Size - \$250,000	<ul style="list-style-type: none"><li>• 0.70% first \$10,000,000</li><li>• 0.60% next \$25,000,000</li><li>• 0.50% next \$50,000,000</li><li>• 0.40% on balance</li></ul>

## Fixed Income Management

<b>Enhanced Cash Management</b>  Minimum Account Size: \$5,000,000 Annual Minimum Fee: \$12,500	<ul style="list-style-type: none"> <li>• 0.25% first \$10,000,000</li> <li>• 0.20% next \$20,000,000</li> <li>• 0.15% next \$20,000,000</li> <li>• Negotiated over \$50,000,000</li> </ul>
<b>Limited Duration</b>  Minimum Account Size: \$5,000,000 Annual Minimum Fee: \$15,000	<ul style="list-style-type: none"> <li>• 0.25% first \$10,000,000</li> <li>• 0.20% next \$20,000,000</li> <li>• 0.15% next \$20,000,000</li> <li>• Negotiated over \$50,000,000</li> </ul>
<b>Short-Term Bond</b>  Minimum Account Size: \$5,000,000 Annual Minimum Fee: \$15,000	<ul style="list-style-type: none"> <li>• 0.30% first \$10,000,000</li> <li>• 0.25% next \$20,000,000</li> <li>• 0.20% next \$20,000,000</li> <li>• Negotiated over \$50,000,000</li> </ul>
<b>Intermediate-Term Bond</b>  <b>ESG Fixed Income Strategy</b>  Minimum Account Size: \$5,000,000 Annual Minimum Fee \$ 15,000	<ul style="list-style-type: none"> <li>• 0.35% first \$5,000,000</li> <li>• 0.30% next \$10,000,000</li> <li>• 0.25% next \$15,000,000</li> <li>• 0.20% on balance</li> </ul>
<b>Total Return Market Bond</b>  Minimum Account Size: \$5,000,000 Annual Minimum Fee \$ 15,000	<ul style="list-style-type: none"> <li>• 0.35% first \$5,000,000</li> <li>• 0.30% next \$10,000,000</li> <li>• 0.25% next \$15,000,000</li> <li>• 0.20% on balance</li> </ul>
<b>Long-Term Bond</b>  Minimum Account Size: \$5,000,000 Annual Minimum Fee: \$15,000	<ul style="list-style-type: none"> <li>• 0.35% first \$5,000,000</li> <li>• 0.30% next \$10,000,000</li> <li>• 0.25% next \$15,000,000</li> <li>• 0.20% on balance</li> </ul>
<b>Municipal Fixed Income Strategies</b>  Annual Minimum Fee \$7,500	<ul style="list-style-type: none"> <li>• 0.25% first \$3,000,000</li> <li>• 0.20% next \$3,000,000</li> <li>• 0.20 on balance</li> </ul>



## Other Investment Strategies

<b>Multi-Strategy Income Solution</b>  Minimum Account Size: \$5,000,000	<ul style="list-style-type: none"><li>• 0.30% first \$10,000,000</li><li>• 0.25% next \$20,000,000</li><li>• 0.20% next \$20,000,000</li><li>• Negotiated over \$50,000,000</li></ul>
<b>Global Alpha Opportunities Strategy</b>  Minimum Account Size - \$100,000,000	<ul style="list-style-type: none"><li>• 0.25% on the balance</li></ul>

## Investment Advisory Services for Defined Contribution Plans

<b>Annual Fees</b>  \$35,000 on Plans with Assets of \$20,000,000-\$40,000,000 \$50,000 on Plans with Assets of \$40,000,001-\$60,000,000 \$65,000 on Plans with Assets of \$60,000,001-\$80,000,000 \$80,000 on Plans with Assets of \$80,000,001- \$100,000,000 \$95,000 on Plans with Assets over \$100,000,000  Minimum Account Size: \$20,000,000
--

## Investment Consulting Services

<b>Annual Fees</b>  <ul style="list-style-type: none"><li>• 0.30% first \$10,000,000</li><li>• 0.25% next \$20,000,000</li><li>• 0.20% next \$20,000,000</li><li>• Negotiated over \$50,000,000</li></ul> Minimum Account Size: \$5,000,000
--

Unless otherwise agreed to, advisory fees are generally charged quarterly, in arrears, based upon the market value of the account at the end of the quarter. The Enhanced Cash Management Strategy fees are generally charged monthly or quarterly in arrears based on the average daily balance.

Generally, investment management fees are paid by clients upon receipt of an invoice from WTIA, or alternatively, are charged directly to the client's custody account with the client's consent. Clients should ensure that they are receiving at least a quarterly statement directly from their custodian.

Unless otherwise agreed in writing, clients may terminate their advisory contract by written notice not less than 30 days in advance. In the event of termination, fees are prorated based on the date of termination.

Fees that clients pay to WTIA for advisory services are separate from brokerage commissions, transactions fees, and other related fees and expenses related to the purchase, sale, or disposition of assets in their accounts and are the responsibility of the client. In addition, clients are responsible for the payment of other charges imposed by custodians, brokers, and other third parties such as custodial fees, transfer taxes, wire transfers, electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. WTIA does not reduce its advisory fees to offset such expenses, including, without limitation, commissions, or mark-ups.

Item 12 - “Brokerage Practices” further describes the factors WTIA considers in selecting broker-dealers for client transactions and determining the reasonableness of commissions and other transaction related charges. (e.g., commissions).

Clients will also incur additional expenses and fees as a shareholder in mutual funds and ETFs, and/or as an investor in private funds or other pooled investment vehicles. These additional expenses include applicable management fees, shareholder services fees, distribution fees, administrative fees, and other fund operating expenses. Such fees are disclosed in the applicable fund’s prospectus or offering materials. Clients can purchase investment products WTIA recommends through other brokers or agents that are not affiliated with WTIA.

WTIA recommends to qualified clients investment products or other services provided by WTIA or its affiliates, including but not limited to, investment in private funds for which WTIA’s affiliate, WTIM, serves as general partner or managing member. In connection with such investments, WTIA and/or its affiliates receive additional compensation in the form of advisory and other fees incurred in connection with such private funds or other offerings.

Similarly, WTIA and/or its affiliates recommend to client’s investment in the Wilmington Funds, mutual funds advised by WTIA’s affiliate, WFMC and sub-advised by WTIA. WFMC, WTIA and their affiliates are compensated by the Wilmington Funds for advisory, administrative, and other services provided.

To the extent clients are invested in a separately managed account (“SMA”) managed by a third-party investment manager (“SMA Manager”) or managed pursuant to an investment model provided by a third-party investment adviser (“Model Managers”), clients will bear the expense of additional charges that are payable to such SMA Managers and Model Managers, as well as fees and other expenses assessed by the service provider of the SMA investment platform utilized by WTIA.

WTIA’s recommendation and selection of affiliated investment products and other services creates conflicts of interest due to the receipt by WTIA and/or its affiliates of incremental additional revenues associated with such products and services. Please see Item 10 – “Other Financial Industry Activities and Affiliations” for further discussion.

Certain of WTIA’s personnel receive compensation based on or related to, in whole or in part, the sale of securities or other investment products to clients. As a result, a conflict of interest exists because this compensation arrangement creates an incentive for such persons to recommend investment products and services based on the compensation they receive, rather than solely based on a client’s needs. Disclosure to clients of this conflict can be made by a number of methods, including by the provision of WTIA’s ADV.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

WTIA does not accept performance-based fees or any fee based on a share of capital gains or capital appreciation of the assets of clients.

## **ITEM 7 – TYPES OF CLIENTS**

WTIA principally provides investment advisory services to institutional clients, such as not-for-profit organizations, pension and profit-sharing programs, corporations, endowments, foundations, municipal and government entities, Taft-Hartley organizations, other investment advisers, insurance companies, consultants, and family offices.

WTIA also serves as the principal sub-advisor to the Wilmington Funds, a family of mutual funds. WTIA is also a non-discretionary provider of model investment portfolios that are available to clients in the LPL Manager Select wrap fee program, including clients of M&T Bank personnel acting in their capacity as investment adviser representatives of LPL Financial LLC.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

### **METHODS OF ANALYSIS**

WTIA advises clients with respect to investment of their assets in various types of investments, including, individual securities, open-ended mutual funds (including mutual funds managed by WTIA and/or its affiliates and/or by third party investment managers), ETFs, private market funds, and separately managed accounts offered by WTIA and/or third-party investment managers.

WTIA is part of M&T Bank Corporation's Wealth and Institutional Services Division ("WISD"). WISD also includes the investment management businesses of WFMC, PUA, and WTIM (together with WTIA, the "WISD Registered Investment Advisers"), and the investment management, custody, personal trust, corporate trust, asset administration, and related businesses of M&T Bank, WTNA, and WTC (the "WISD Trust Entities").

A WISD Investment Committee (the "Investment Committee") exists to assist (directly and indirectly through other intermediate committees) the Boards of the WISD Registered Investment Advisers and the WISD Trust Entities in fulfilling their responsibilities to oversee the firms' investment-related activities. The Investment Committee is bifurcated into two governance structures: The Investment Committee-Investment Strategy Matters (the "IC-ISM"), and the Investment Committee-General Matters ("IC-GM"), and each has voting and non-voting members.

The Investment Committee is bifurcated into two governance structures: The Investment Committee-Investment Strategy Matters (the "IC-ISM") and the Investment Committee-General Matters ("IC-GM"), and each has voting and non-voting members.

The IC-ISM's voting members include the Chief Investment Officer, Head of Equity and Non-Traditional Investments, Head of Fixed Income, Head of Investment Strategy, Head of Portfolio Construction, Head of Fixed Income Search and Strategy, and the Chief Economist of WTIA, as well as several senior employees of the WISD Trust Entities. The non-voting members include other investment professionals from WTIA, as well as investment professionals from the WISD Trust Entities.

The IC-ISM typically meets formally at least monthly and is responsible for a variety of tasks and functions, such as:

- Setting overall strategy for asset allocation, including risk objectives, types of strategic allocations needed (benchmark relative, absolute return, income oriented, etc.) and types of tactical allocations to be considered
- Developing the methodology for longer-term strategic allocation advice and more intermediate-term tactical allocation advice, including: (i) research, evaluation of efficacy and execution of valuation and price momentum methodologies, as well as reviews of academic research and third-party solutions and support leading to process improvement; (ii) macro factor identification and analysis for use in allocation processes; and (iii) setting of diversified benchmarks for allocation advice, excess return expectations against benchmarks and the target and allowable tracking error of advice against benchmarks
- Developing methodologies for addressing key characteristics of portfolio construction advice, including: (i) the methodology for assigning portfolio exposures within asset classes between active and passive exposures; (ii) determining the impact to construction and exposures to meet yield expectations; (iii) the positioning and use of trend-following trading strategies to address overall portfolio and asset class exposures; (iv) the use and guidelines of portfolio insurance; (v) the positioning and guidelines for private equity and private real estate solutions within portfolios; (vi) the impact of liquidity within products and the decision set around their use; (vii) the interaction of manager styles, correlations of excess returns and volatility in determining combinations and weights of active managers within portfolios; (viii) the rebalancing methodologies, frequencies and thresholds; and (ix) the consideration of income taxes in portfolio construction

The IC-GM oversees a variety of other investment-related and operational-related functions, policies and procedures of the WISD Trust Entities and the WISD Registered Investment Advisers. Among other things, the IC-GM (directly and through intermediate committees) reviews performance of products and strategies, reviews best execution analysis, and reviews changes to team guidelines and subcommittee charters.

## **ASSET ALLOCATION MANAGEMENT**

WTIA helps clients determine appropriate asset allocations based on the prescribed investment objectives for the client. Such determinations involve establishing and adjusting recommended exposures consistent with the relevant client's existing investment policy, and as relevant, may include allocations among and/or within asset classes (such as equity, fixed income, hedge, private markets, real asset, and other alternative/non-traditional assets). Additional strategic guidance may involve allocations based on other features such as style (growth/value) or sector (GICS sectors) exposures, which are then customized to specific clients' objectives, risk tolerances, and specific restrictions.

As noted above, the IC-ISM sets asset allocation policy. The IC-ISM formally meets at least monthly to consider macro-economic conditions as well as quantitative market conditions that include momentum and valuation drivers across appropriate markets and the fundamental views of our market experts in equities, fixed income, and non-traditional markets. Implementation of the IC-ISM's advice will proceed differently for each client in accordance with their specific starting positions and investment restrictions.

In setting asset allocations, the IC-ISM considers both strategic (long-term) and tactical (shorter-term) approaches. Long-term Strategic Asset Allocations are revised approximately every 1 to 5 years and are based on five-year economic projections of key variables that the ICISM believes

will have a major impact on market behavior. Details on the assumptions and inputs leading to our Strategic Asset Allocations are typically detailed in a Capital Markets Forecast, which highlights the economic assumptions. These long-term estimates are the source of the Capital Markets Model that generates a series of return estimates for the succeeding five years for the identified strategic asset classes. The Strategic Asset Allocations are the basis for determining long-term benchmark risk profiles and are used to establish strategic policy.

These return estimates are subjected to optimization techniques to produce asset allocations across various risk profiles. These risk profiles are pre-determined and represent five points along a risk continuum ranging from conservative to aggressive. Clients are assigned into one of these five risk profiles based on investment needs and preferences communicated by clients.

The IC-ISM meets at least monthly and based on economic and market developments and other considerations, determines whether to make tactical adjustments to the allocations in an effort to take advantage of opportunities or avoid challenges in current market conditions.

In making such tactical determinations, the IC-ISM considers the level of confidence it has in the forecasted returns, the impact of possible allocation changes and related trades on portfolio performance, and tax considerations before making a final determination as to whether to recommend any changes in asset allocation. Asset allocation strategies may be implemented through investments, including via individual securities, private funds, mutual funds, ETFs, and exchange traded notes. Determinations regarding implementation of allocations, including vehicle selection determinations, are made at the IC-ISM level, via intermediate committees, and/or via portfolio managers, depending on the strategy and account.

## **INVESTMENT STRATEGIES**

Generally, the IC-ISM's determinations are applied across all the relevant investment management services and products managed by the WISD Registered Investment Advisers and the WISD Trust Entities, including separately managed accounts, model portfolios and pooled investment vehicles. The IC-ISM's determinations regarding strategic and tactical asset allocation, as relevant, directly affect three particular Wilmington Funds (Wilmington International Fund, Wilmington Real Asset Fund, and Wilmington Global Alpha Equities Fund, collectively, the "Multiple Asset Class Funds"), as well as the Wilmington Large-Cap Strategy Fund, as these funds pursue their investment goals by using multiple asset classes and/or investment styles, or, in the case of the Large-Cap Strategy Fund, by allocating its assets among industry sectors.

Subject, at all times, to the requirements of each such Fund's investment goal and principal investment strategies, WTIA portfolio managers for the three Multiple Asset Class Funds will allocate and reallocate assets among the sub-advisers and asset classes utilized in such Funds, and WTIA portfolio managers for the Large-Cap Strategy Fund will allocate and re-allocate its assets among U.S. large-capitalization equities representing various sectors.

Many of WTIA's accounts require investment advisory expertise that spans a variety of investment management disciplines. While for many WTIA clients, equity and fixed income management disciplines represent critical elements used to pursue clients' selected investment strategies, certain clients also need expertise in other classes of securities, including, but not limited to, high yield bonds, real assets, private and/or hedge funds. Achieving the optimal client solution generally involves in-depth analysis of the suitability of a particular security or class of securities or may take the form of guidance on overall asset allocation strategies.

Below are descriptions of various investment strategies offered by the Firm. These investment strategies include equity, fixed income, asset allocation, and multi-manager strategies. Each of

these strategies may employ long-term purchases, short-term purchases, margin transactions, option investing (e.g., covered options, uncovered options), and/or spread strategies.

Investing in securities involves a risk of loss that clients should be prepared to bear. Client accounts are subject to general market risk. The value of the securities held in client accounts will increase or decrease in response to movements in the market in which they are invested. WTIA manages pursuant to strategies not listed below for certain mutual fund and similar separate account clients (such strategies and associated fees are determined on a negotiated basis). See “Investment Risks” for more information about certain risks applicable in connection with strategies available from WTIA.

## **EQUITY INVESTMENT STRATEGIES AND PROCESS**

### **ENHANCED DIVIDEND INCOME STRATEGY (EDIS)**

EDIS targets a portfolio level dividend yield of two times the S&P 500 Index dividend yield and seeks capital appreciation over a multi-year investment horizon principally through investments in U.S. large-cap stocks, while maintaining low volatility versus the broader U.S. large-capitalization equity market. Volatility for purposes of EDIS’s investment objective is measured by beta, standard deviation, and/or down-market capture as compared to the U.S. large-capitalization equity market as measured by the Russell 1000 Value Index. EDIS strives to minimize drawdowns during negative market environments. Although EDIS is focused principally on U.S. large capitalization stocks, the Strategy may have holdings of non-U.S. and non-large capitalization stocks.

Quantitative and qualitative elements are interwoven throughout our process to identify high-quality, high-dividend paying purchase candidates for the EDIS portfolio. Quantitative screening and proprietary modeling defines, narrows, and prioritizes investment candidates for fundamental analysis. Quantitative screening criteria include but are not limited to: minimum yield screening criteria versus the S&P 500 Index and dividend safety screening measures such as free cash flow and dividend reduction history. Fundamental analysis is employed to further test the strength of investment candidates’ competitive positioning, financial condition, and alignment of management incentives. The Strategy is constructed based on a bottom-up methodology with a top-down overlay, using a team-based approach to select high-conviction portfolios consisting of generally 35-55 companies. All positions are continually monitored, with performance measured both on an absolute and relative basis.

### **DIVIDEND GROWTH STRATEGY**

Dividend Growth Strategy is a long-term, low turnover strategy that seeks to outperform its benchmark, the S&P 500 Index, on a risk adjusted basis by investing in high-quality companies that are either established dividend payers or are dividend initiators and that are expected by the investment manager to appreciate based on future earnings growth, strong cash flows, and growing dividends. The Strategy’s secondary benchmark is the NASDAQ U.S. Broad Dividend Achievers Index. The Dividend Growth Strategy stock selection process includes an initial universe of over 3,500 companies traded on the NYSE, NASDAQ, and AMEX exchanges. Key macro screening criteria include comparing past dividend growth and projected earnings growth to the Consumer Price Index. Key micro screening criteria include looking at above average dividend growth, dividend initiation, and free cash flow growth to support growing dividends. Finally, a detailed analysis using long-term fundamental valuation techniques and quantitative scoring reduces the final portfolio to approximately 40-60 companies.



## **DISCIPLINED CORE EQUITY STRATEGY**

Disciplined Core Equity Strategy seeks total return by investing principally in high-quality U.S. large-capitalization companies. The Strategy seeks superior risk-adjusted returns versus the S&P 500 Index over a full market cycle. A full market cycle encompasses both bull and bear market conditions and generally takes three to five years. Although the Strategy is focused principally on U.S. large-capitalization stocks, it may have holdings of non-U.S. and mid-capitalization stocks.

Stocks are generally selected by combining fundamental, quantitative, and technical analysis of large-capitalization companies with U.S. market capitalizations of \$5 billion or greater. This Strategy seeks to limit risk through sector diversification, concentration limits on position sizes, and sell disciplines. Sell decisions are generally based on the existence of at least one of the following or other conditions: deterioration of company fundamentals, impairment of free cash flow, exceeded concentration limits, or higher conviction in a replacement opportunity.

## **LARGE CAP SECTOR ALLOCATION STRATEGY**

Large-Cap Sector Allocation Strategy, under normal circumstances, invests at least 80% of the value of its assets in a diversified portfolio of U.S. equity (or equity-related) securities of large-capitalization companies (primarily common stocks). WTIA determines the tactical allocation based on forecasts of asset risk and return profiles derived from a combination of fundamental, quantitative, and macroeconomic inputs. The tactical allocations may also be based on one or more factors, such as economic sector, industry, investment style (e.g., growth or value), market capitalization (e.g., mega-capitalization or large/midcap), or security valuation measure (e.g., price/earnings ratio). Currently, the tactical allocation is based primarily on the economic sectors of the Strategy's benchmark index (Russell 1000 Index).

Once the Firm determines the tactical allocations, quantitative models are used to construct a portfolio by investing in a representative sample of securities having the factor characteristics or belonging to the sectors/industries of the benchmark index (or another index of large-capitalization companies) to which WTIA has made an allocation, weighted in accordance with that allocation. The return for each component of the portfolio is intended to correlate closely with the return for the corresponding component of the applicable benchmark index.

## **ESG EQUITY STRATEGY**

ESG Equity Strategy seeks risks-adjusted returns over a multi-year investment horizon that are superior to the Russell 1000 Index, principally through investment in equity securities of U.S. large-cap companies with environmental (E), social (S), and governance (G) qualities. The strategy principally invests in U.S. large-capitalization companies but may have holdings in non-U.S. companies and non-large capitalization companies. WTIA integrates ESG principles throughout the investment process. The strategy seeks to maintain higher ESG standards than its peers, based on a proprietary ESG scoring model, and seeks to invest in a diversified portfolio of high-quality companies.

When referencing its peers for this strategy, an ESG custom peer group is constructed by searching Morningstar's separate account and open-ended mutual fund databases for any managers of separate accounts and actively managed funds classified as "Domestic Large Cap,

with ESG Intent,” having more than \$500 million in assets, and having fewer than 100 stocks. The ESG custom peer group also includes any separate accounts and actively managed funds of over \$500 million in assets that hold less than 100 stocks who have a Morningstar Sustainability Rating of “High” or “Above Average”. Certain funds in the ESG custom peer group do not reference ESG in their name nor do they list ESG as an investment objective in their prospectus and other fund documents.

## **FOURTH INDUSTRIAL REVOLUTION EQUITY STRATEGY**

Fourth Industrial Revolution Equity Strategy (FIRE) seeks risk-adjusted returns over a multi-year investment horizon superior to the Russell 1000 Growth Index, principally through the investment of equity securities of U.S. companies that fit into the themes of the Fourth Industrial Revolution but may have holdings in non-U.S. companies. When referencing the Fourth Industrial Revolution, we define it as the new era where our physical and biological world gets integrated with the digital world, changing most aspects of our daily lives. WTIA believes that the secular investment themes below best exemplify the Fourth Industrial Revolution and seeks to integrate these themes in our investment process. As these themes mature and develop, WTIA will evolve these themes over time: Cloud Computing & Big Data, Renewable Energy & Resources, Automation & Artificial Intelligence, Blockchain & Fintech, and Digital Networks & Entertainment.

## **CAPITAL APPRECIATION STRATEGY**

Capital Appreciation Strategy’s objective is to seek to generate a risk-adjusted total return superior to that of the S&P 500 Index over a full market cycle by principally investing in equity securities of U.S. Large Capitalization issuers that in the opinion of WTIA exhibit, at the time of purchase, above-average profit and growth characteristics that may mitigate drawdowns during negative market environments. Large Cap issuers for purposes of the Strategy are issuers that, at the time of purchase, have a market cap of at least \$5 billion.

## **TAXABLE FIXED INCOME INVESTMENT STRATEGIES AND PROCESS**

### **ENHANCED CASH MANAGEMENT STRATEGY**

Enhanced Cash Management Strategy uses an approach to short-term investing that seeks to maximize total return, while preserving principal and providing liquidity. This Strategy seeks to take advantage of incremental yield opportunities, at the short end of the yield curve (1 year or less remaining maturity), with short-term fixed income securities. The benchmark for the Strategy is the iMoneyNet, Inc. –First Tier Institutional Average (Gross).

The strategy seeks to take advantage of incremental yield opportunities at the short end of the yield curve, with short term maturities. To achieve these objectives, the Firm actively manages the portfolios utilizing a relative-value approach, which is monitored and reviewed to ensure that our clients’ goals are realized relative to their respective investment policies.

Our investment process is designed to meet each client’s specific objectives and liquidity requirements by determining:

- **Appropriate Weighted Average Maturity**—analyzing clients liquidity needs; analyze yield curve and implied forward rates to assess market expectations for future Federal Reserve monetary policy
- **Optimal Portfolio Structure** – analyzing the advantage of a barbell, bullet, or balanced



portfolio structure

- **Sector Allocation** – analyzing each sector for its relative value to determine under- and over-valued sectors
- **Credit Analysis** – selecting investment grade issuers that we view to have stable to improving credit risk, while focusing on quantitative and qualitative factors that highlight the issuer’s ability to maintain its credit rating
- **Portfolio Construction** – selecting individual securities based upon our relative value analysis
- **Ongoing Monitoring and Active Portfolio Management** – identifying and acting upon market inefficiencies and trading opportunities
- **Issue Selection** – selling an overvalued bond and buying an undervalued bond or shortening or extending along the yield curve in a particular issuer, given our analysis of the risk/reward tradeoff for that particular bond swap. Our approach is to utilize more liquid issues to limit transaction costs.
- **Risk Control** – comparing sector, yield curve, and quality distributions, as well as overall duration, yield, and average quality to the benchmark as well as client restrictions

## LIMITED DURATION STRATEGY

Limited Duration Strategy uses an approach to short-term investing that seeks to maximize total return, while preserving principal and providing liquidity. This Strategy seeks to take advantage of incremental yield opportunities, at the short end of the yield curve (2 years or less remaining maturity), with short term fixed income securities. The benchmark for the Strategy is the ICE BofA 1-Year U.S. Treasury Note Index.

The strategy seeks to take advantage of incremental yield opportunities at the short end of the yield curve, with short term maturities. To achieve these objectives, the Firm actively manages the portfolios utilizing a relative-value approach, which is monitored and reviewed to ensure that our clients’ goals are realized relative to their respective investment policies.

Our investment process is designed to meet each client’s specific objectives and liquidity requirements by determining:

- **Appropriate Weighted Average Maturity**—analyzing clients liquidity needs; analyze yield curve and implied forward rates to assess market expectations for future Federal Reserve monetary policy
- **Optimal Portfolio Structure** – analyzing the advantage of a barbell, bullet, or balanced portfolio structure
- **Sector Allocation** – analyzing each sector for its relative value to determine under- and over-valued sectors
- **Credit Analysis** – selecting investment grade issuers that we view to have stable to improving credit risk, while focusing on quantitative and qualitative factors that highlight the issuer’s ability to maintain its credit rating
- **Portfolio Construction** – selecting individual securities based upon our relative value analysis
- **Ongoing Monitoring and Active Portfolio Management** – identifying and acting upon market inefficiencies and trading opportunities
- **Issue Selection** – selling an overvalued bond and buying an undervalued bond or shortening or extending along the yield curve in a particular issuer, given our analysis of the risk/reward tradeoff for that particular bond swap. Our approach is to utilize more liquid issues to limit transaction costs.

- **Risk Control** – comparing sector, yield curve, and quality distributions, as well as overall duration, yield, and average quality to the benchmark as well as client restrictions

## SHORT-TERM BOND STRATEGY

Short-Term Bond Strategy seeks to provide current income by investing primarily in U.S. investment grade corporate and U.S. government fixed income securities, including mortgage and asset-backed securities, with a remaining maturity of 3 years or less. The benchmark for the Strategy is the Bloomberg 1-3 Year U.S. Government/Credit Bond Index.

The strategy seeks to take advantage of incremental yield opportunities at the short end of the yield curve, with short term maturities. To achieve these objectives, the Firm actively manages the portfolios utilizing a relative-value approach, which is monitored and reviewed to ensure that our clients' goals are realized relative to their respective investment policies.

Our investment process is designed to meet each client's specific objectives and liquidity requirements by determining:

- **Appropriate Weighted Average Maturity**—analyzing clients liquidity needs; analyze yield curve and implied forward rates to assess market expectations for future Federal Reserve monetary policy
- **Optimal Portfolio Structure** – analyzing the advantage of a barbell, bullet, or balanced portfolio structure
- **Sector Allocation** – analyzing each sector for its relative value to determine under- and over-valued sectors
- **Credit Analysis** – selecting investment grade issuers that we view to have stable to improving credit risk, while focusing on quantitative and qualitative factors that highlight the issuer's ability to maintain its credit rating
- **Portfolio Construction** – selecting individual securities based upon our relative value analysis
- **Ongoing Monitoring and Active Portfolio Management** – identifying and acting upon market inefficiencies and trading opportunities
- **Issue Selection** – selling an overvalued bond and buying an undervalued bond or shortening or extending along the yield curve in a particular issuer, given our analysis of the risk/reward tradeoff for that particular bond swap. Our approach is to utilize more liquid issues to limit transaction costs.
- **Risk Control** – comparing sector, yield curve, and quality distributions, as well as overall duration, yield, and average quality to the benchmark as well as client restrictions

## INTERMEDIATE-TERM BOND STRATEGY

Intermediate-Term Bond Strategy seeks to provide current income and secondarily, capital growth by investing primarily in U.S. investment grade corporate and government fixed income securities with intermediate-term maturities, including mortgage and asset-backed securities. The Strategy may invest in instruments with a remaining maturity of 10 years or less but seeks to maintain a dollar-weighted average maturity of three to five years. The benchmark for the Strategy is the Bloomberg Intermediate Government/Credit Bond Index.

The strategy incorporates an actively managed, top-down sector selection approach, wherein risk containment is paramount. WTIA's objective is to position the portfolios in such a way

that our sector, interest rate, yield curve, and credit analysis can add value by utilizing the following methods of analysis with what we believe is only “minimal” risk of underperformance:

- **Quantitative Analysis** – utilizing a relative value framework to compare sectors of the investment grade market to determine appropriate weightings
- **Industry Weighting** – searching for attractive industries by assessing the economic and monetary outlook compared to current valuations with assessment of the credit cycle
- **Yield Curve Analysis** – comparing the composition of the portfolio by effective duration management to that of the benchmark and structure the portfolio based on the projected shape of the yield curve
- **Interest Rate Anticipation** – incorporating projections based on WTIA’s economic outlook, Fed policy, implied interest rate analysis, the seasonal forecast, and technical analysis
- **Issue Selection** – selling of an overvalued bond and buying an undervalued bond, or shortening or extending along the yield curve in a particular issuer, given the Firm’s analysis of the risk/reward tradeoff for that particular bond swap
- **Risk Control** – comparing sector, yield curve, and quality distributions, as well as overall duration, yield, and average quality to the benchmark as well as client restrictions

## TOTAL RETURN BROAD MARKET BOND STRATEGY

Total Return Broad Market Bond Strategy seeks to provide current income and secondarily, capital growth by investing primarily in U.S. investment grade corporate and government fixed income securities, including mortgage and asset backed securities. The Strategy invests principally in various types of investment grade fixed income securities of any maturity but seeks to maintain a dollar-weighted average maturity of four to ten years. The benchmark for the Strategy is the Bloomberg Barclays Aggregate Bond Index.

The strategy incorporates an actively managed, top-down sector selection approach, wherein risk containment is paramount. WTIA’s objective is to position the portfolios in such a way that our sector, interest rate, yield curve, and credit analysis can add value by utilizing the following methods of analysis with what we believe is only “minimal” risk of underperformance:

- **Quantitative Analysis** – utilizing a relative value framework to compare sectors of the investment grade market to determine appropriate weightings
- **Industry Weighting** – searching for attractive industries by assessing the economic and monetary outlook compared to current valuations with assessment of the credit cycle
- **Yield Curve Analysis** – comparing the composition of the portfolio by effective duration management to that of the benchmark and structure the portfolio based on the projected shape of the yield curve
- **Interest Rate Anticipation** – incorporating projections based on WTIA’s economic outlook, Fed policy, implied interest rate analysis, the seasonal forecast, and technical analysis
- **Issue Selection** – selling of an overvalued bond and buying an undervalued bond, or shortening or extending along the yield curve in a particular issuer, given the Firm’s analysis of the risk/reward tradeoff for that particular bond swap
- **Risk Control** – comparing sector, yield curve, and quality distributions, as well as overall duration, yield, and average quality to the benchmark as well as client restrictions

## **INTERMEDIATE-TERM BOND, TOTAL RETURN MARKET BOND AND LONG-TERM BOND STRATEGIES**

The Intermediate-Term Bond, Total Return Market Bond and Long-Term Bond Strategies incorporate an actively managed, top-down sector selection approach, wherein risk containment is paramount. WTIA's objective is to position the portfolios in such a way that our sector, interest rate, yield curve, and credit analysis can add value by utilizing the following methods of analysis with what we believe is only "minimal" risk of underperformance:

- **Quantitative Analysis** – utilizing a relative value framework to compare sectors of the investment grade market to determine appropriate weightings
- **Industry Weighting** – searching for attractive industries by assessing the economic and monetary outlook compared to current valuations with assessment of the credit cycle
- **Yield Curve Analysis** – comparing the composition of the portfolio by effective duration management to that of the benchmark and structure the portfolio based on the projected shape of the yield curve
- **Interest Rate Anticipation** – incorporating projections based on WTIA's economic outlook, Fed policy, implied interest rate analysis, the seasonal forecast, and technical analysis
- **Issue Selection** – selling of an overvalued bond and buying an undervalued bond, or shortening or extending along the yield curve in a particular issuer, given the Firm's analysis of the risk/reward tradeoff for that particular bond swap
- **Risk Control** – comparing sector, yield curve, and quality distributions, as well as overall duration, yield, and average quality to the benchmark as well as client restrictions

## **ESG FIXED INCOME STRATEGY**

ESG Fixed Income Strategy seeks a high level of current income. The Strategy pursues its investment objective principally by investing in investment grade fixed income securities of U.S. corporate issuers with environmental (E), social (S), and governance (G) qualities, along with government fixed income securities that do not have an ESG focus. The Strategy seeks to invest in a well-diversified portfolio of fixed income instruments with a remaining maturity of 10 years or less and generally seeks to maintain a duration of approximately 4 years. The benchmark for the Strategy is the Bloomberg Capital Intermediate Government/Credit Index.

## **TAX-EXEMPT MUNICIPAL FIXED INCOME STRATEGIES**

### **QUALITY FIXED INCOME INTERMEDIATE NATIONAL STRATEGY**

The Quality Fixed Income Intermediate National Strategy employs a buy-and-hold approach to structuring portfolios with ongoing monitoring of credit quality.

Portfolios in this strategy are laddered using municipal bonds maturing over 0–15 years. This approach is intended for clients who wish generally to hold their securities until maturity and who desire tax-exempt income.

Credit research is a crucial component of the overall investment process, involved in the following areas:

- **Issue selection** – Individual bond selection employs a combination of relative value and credit analysis intended to determine after-tax value. As applicable the selection process

can also involve evaluation of each security's cash flow (calls, puts, and sinking funds) and economic, financial, and strategic characteristics to determine its value.

- **Sector selection** – A relative value process is applied to determine whether to overweight or underweight municipal sectors (i.e., health care, transportation, higher education) relative to the applicable index. As a result, credit research into the underlying strengths and challenges within sectors is crucial.
- **Yield curve positioning** – The municipal yield curve generally has a positive slope, and different maturities along the curve can be impacted by investor behavior. Overweighting or underweighting specific sections of the yield curve can offer long-term value.

The investment process incorporates several components: identifying investment strategies expected to add value, constructing portfolios intended to deliver after-tax income with high levels of credit quality, and employing a risk-controlled management process with the aim of delivering after tax value.

Municipal securities are sold when a downgrade below the minimum portfolio rating (A-rating by S&P or A3 by Moody's) occurs or when the client desires to sell securities for tax reasons.

## QUALITY FIXED INCOME SHORT NATIONAL STRATEGY

The Quality Fixed Income Short National Strategy employs a buy-and-hold approach to structuring portfolios with ongoing monitoring of credit quality.

Portfolios in this strategy are laddered using municipal bonds maturing over 0–4 years. This approach is intended for clients who wish generally to hold their securities until maturity and who desire tax-exempt income.

Credit research is a crucial component of the overall investment process, involved in the following areas:

- **Issue selection** – Individual bond selection employs a combination of relative value and credit analysis intended to determine after-tax value. As applicable the selection process can also involve evaluation of each security's cash flow (calls, puts, and sinking funds) and economic, financial, and strategic characteristics to determine its value.
- **Sector selection** – A relative value process is applied to determine whether to overweight or underweight municipal sectors (i.e., health care, transportation, higher education) relative to the applicable index. As a result, credit research into the underlying strengths and challenges within sectors is crucial.
- **Yield curve positioning** – The municipal yield curve generally has a positive slope, and different maturities along the curve can be impacted by investor behavior. Overweighting or underweighting specific sections of the yield curve can offer long-term value.

The investment process incorporates several components: identifying investment strategies expected to add value, constructing portfolios intended to deliver after-tax income with high levels of credit quality, and employing a risk-controlled management process with the aim of delivering after tax value.

Municipal securities are sold when a downgrade below the minimum portfolio rating (A-rating by S&P or A3 by Moody's) occurs or when the client desires to sell securities for tax reasons.

## QUALITY FIXED INCOME SHORT-INTERMEDIATE NATIONAL STRATEGY

The Quality Fixed Income Short-Intermediate National Strategy employs a buy-and-hold approach to structuring portfolios with ongoing monitoring of credit quality.

Portfolios in this strategy are laddered using municipal bonds maturing over 0–8 years. This approach is intended for clients who wish generally to hold their securities until maturity and who desire tax-exempt income.

Credit research is a crucial component of the overall investment process, involved in the following areas:

- **Issue selection** – Individual bond selection employs a combination of relative value and credit analysis intended to determine after-tax value. As applicable the selection process can also involve evaluation of each security's cash flow (calls, puts, and sinking funds) and economic, financial, and strategic characteristics to determine its value.
- **Sector selection** – A relative value process is applied to determine whether to overweight or underweight municipal sectors (i.e., health care, transportation, higher education) relative to the applicable index. As a result, credit research into the underlying strengths and challenges within sectors is crucial.
- **Yield curve positioning** – The municipal yield curve generally has a positive slope, and different maturities along the curve can be impacted by investor behavior. Overweighting or underweighting specific sections of the yield curve can offer long-term value.

The investment process incorporates several components: identifying investment strategies expected to add value, constructing portfolios intended to deliver after-tax income with high levels of credit quality, and employing a risk-controlled management process with the aim of delivering after tax value.

Municipal securities are sold when a downgrade below the minimum portfolio rating (A-rating by S&P or A3 by Moody's) occurs or when the client desires to sell securities for tax reasons.

## TOTAL RETURN INTERMEDIATE NATIONAL STRATEGY

The Total Return Intermediate National Strategy is managed in an effort to outperform the S&P Municipal Bond Investment Grade Intermediate Index over the course of a full market cycle.

Portfolios in this strategy seek to preserve capital and generate incremental income in a relative value, duration-neutral approach. The strategy typically invests in various types of municipal obligations with a maturity range of 3–15 years.

The portfolio management team utilizes a relative value strategy. Credit research is a crucial component of the overall investment process, involved in the following areas:

- **Issue selection** – Individual bond selection employs a combination of relative value and credit analysis to intended to determine after-tax value. As applicable, the selection process can also involve evaluation of each security's cash flow (calls, puts, and sinking funds) and economic, financial, and strategic characteristics to determine its value.



- **Sector selection** – A relative value process is applied to determine whether to overweight or underweight municipal sectors (i.e., health care, transportation, higher education) relative to the applicable index. As a result, credit research into the underlying strengths and challenges within sectors is crucial.
- **Yield curve positioning** – The municipal yield curve generally has a positive slope, and different maturities along the curve can be impacted by investor behavior. Overweighting or underweighting specific sections of the yield curve can offer long-term value.

The investment process incorporates several components: identifying investment strategies expected to add value, constructing portfolios intended to deliver after-tax income with high levels of credit quality, and employing a risk-controlled management process with the aim of delivering after tax value.

Municipal securities are sold when a downgrade below the minimum portfolio rating (A-rating by S&P or A3 by Moody's) occurs or when the client desires to sell securities for tax reasons.

## **TOTAL RETURN SHORT NATIONAL STRATEGY**

The Total Return Short National Strategy is managed in an effort to outperform the S&P Municipal Bond Investment Grade Short Index over the course of a full market cycle.

Portfolios in this strategy seek to preserve capital and generate incremental income in a relative value, duration-neutral approach. The strategy typically invests in various types of municipal obligations with a maturity range of 0.5–4 years.

The portfolio management team utilizes a relative value strategy. Credit research is a crucial component of the overall investment process, involved in the following areas:

- **Issue selection** – Individual bond selection employs a combination of relative value and credit analysis intended to determine after-tax value. As applicable, the selection process can also involve evaluation of each security's cash flow (calls, puts, and sinking funds) and economic, financial, and strategic characteristics to determine its value.
- **Sector selection** – A relative value process is applied to determine whether to overweight or underweight municipal sectors (i.e., health care, transportation, higher education) relative to the applicable index. As a result, credit research into the underlying strengths and challenges within sectors is crucial.
- **Yield curve positioning** – The municipal yield curve generally has a positive slope, and different maturities along the curve can be impacted by investor behavior. Overweighting or underweighting specific sections of the yield curve can offer long-term value.

The investment process incorporates several components: identifying investment strategies expected to add value, constructing portfolios intended to deliver after-tax income with high levels of credit quality, and employing a risk-controlled management process with the aim of delivering after tax value.

Municipal securities are sold when a downgrade below the minimum portfolio rating (A-rating by S&P or A3 by Moody's) occurs or when the client desires to sell securities for tax reasons.

## TOTAL RETURN SHORT-INTERMEDIATE NATIONAL STRATEGY

The Total Return Short-Intermediate National Strategy is managed in an effort to outperform the S&P Municipal Bond Investment Grade Short-Intermediate Index over the course of a full market cycle.

Portfolios in this strategy seek to preserve capital and generate incremental income in a relative value, duration-neutral approach. The strategy typically invests in various types of municipal obligations with a maturity range of 1–8 years.

The portfolio management team utilizes a relative value strategy. Credit research is a crucial component of the overall investment process, involved in the following areas:

- **Issue selection** – Individual bond selection employs a combination of relative value and credit analysis intended to determine after-tax value. As applicable, the selection process can also involve evaluation of each security's cash flow (calls, puts, and sinking funds) and economic, financial, and strategic characteristics to determine its value.
- **Sector selection** – A relative value process is applied to determine whether to overweight or underweight municipal sectors (i.e., health care, transportation, higher education) relative to the applicable index. As a result, credit research into the underlying strengths and challenges within sectors is crucial.
- **Yield curve positioning** – The municipal yield curve generally has a positive slope, and different maturities along the curve can be impacted by investor behavior. Overweighting or underweighting specific sections of the yield curve can offer long-term value.

The investment process incorporates several components: identifying investment strategies expected to add value, constructing portfolios intended to deliver after-tax income with high levels of credit quality, and employing a risk-controlled management process with the aim of delivering after tax value.

Municipal securities are sold when a downgrade below the minimum portfolio rating (A-rating by S&P or A3 by Moody's) occurs or when the client desires to sell securities for tax reasons.

## OTHER INVESTMENT STRATEGIES

### MULTI-STRATEGY INCOME SOLUTION

Multi-Strategy Income Solution Strategy seeks to deliver total return from investing in a diverse portfolio of fixed income securities and/or fixed income mutual funds with attractive current income and managed interest rate exposure. The Strategy incorporates a flexible investment approach utilizing WTIA's fixed income expertise, manager selection capabilities, and portfolio construction experience. Interest rate and credit exposures are managed through the ongoing manager selection and portfolio construction/rebalancing processes.

The Strategy will typically invest in three or more fixed income mutual funds that may hold investment-grade, non-investment-grade, and non-rated securities. Some underlying funds and/or individual fixed income securities may have an average credit quality below investment-grade and the Strategy itself may fall below investment-grade at times. The funds and/or individual fixed income securities selected for the Strategy and the allocations



to each fund will be determined by WTIA's desired credit exposures, duration, and yield for the total portfolio. The benchmark for the strategy is the Bloomberg Barclays US Aggregate 1-3 Year Total Return Value Unhedged (USD).

## **GLOBAL ALPHA OPPORTUNITIES STRATEGY**

The Global Alpha Opportunities Strategy is a concentrated portfolio of 7-12 hedge fund managers. WTIA's approach seeks access to select hedge fund managers at lower fees than those typically available to retail investors. The Strategy ignores manager short books, buying the long book only and partners with an options strategist to create a separate shorting program that is designed to be implemented efficiently and in a cost effective manner for those accounts that want a long/short strategy.

The Strategy seeks to generate superior risk-adjusted returns with lower volatility than the broad equity indices over a full market cycle. The Strategy also seeks a diversified global long-only exposure to hedge funds managed by investment managers (or their affiliates) that have a history of generating alpha and may apply a hedging program designed to reduce beta, volatility, and drawdown exposure. At the portfolio level, WTIA seeks to minimize the portfolio's drawdown exposure, to avoid significant single security concentration and to generally maintain diversification across sectors, geographies, and market capitalizations. Our manager selection process favors managers with risk management embedded in their investment process including bottom-up, fundamentally driven research processes favoring quality companies, understanding of risk factor exposures and strong internal controls.

## **MANAGER RESEARCH AND SELECTION**

Each of M&T Bank, WTNA, and WTC have engaged WTIA to provide manager research services in connection with their Wealth Advisory Services offerings. The Wilmington Trust Manager Platform (the "WT Manager Platform") is utilized by WTIA and its affiliates in the selection of investment strategies and managers for clients' accounts. The WT Manager Platform is constructed by WTIA's Manager Research Group (the "MRG"), which includes WTIA portfolio managers and other investment personnel, using a comprehensive range of investment solutions, including affiliated and third-party products and strategies.

The MRG analyzes various third-party investment vehicles and managers to provide clients access to a wide variety of asset classes and investment management styles. The MRG's initial due diligence includes a review of third-party investment firms as a whole, their relevant portfolio management teams, their investment processes including risk controls and sell discipline and portfolio construction. The manager assessment process evaluates both quantitative and qualitative factors. Our team of analysts work together to conduct extensive due diligence on third party managers to identify high conviction managers and vehicles that are consistent with WTIA's asset allocation preferences.

Once selected, MRG monitors unaffiliated vehicles and managers in accordance with a variety of metrics. The MRG's ongoing monitoring includes evaluations of whether the manager's investment team is continuing to invest in compliance with their stated strategy, objectives, and guidelines. Additionally, the assessment includes, but is not limited to, manager meetings, quarterly updates from each firm, analytics such as performance and attribution reviews, and real-time organizational updates.

In addition to these unaffiliated manager strategies and vehicles, the WT Manager Platform includes investment strategies and vehicles managed by WTIA and affiliates of M&T Bank (together, "Affiliated Products"). While Affiliated Products are not subject to the selection

process utilized by WTIA for unaffiliated strategies and vehicles, MRG monitors affiliated products using similar criteria as described above. The use of such Affiliated Products in a client account generally results in additional revenue to M&T Bank and/or its affiliates, in the form of compensation for investment management, execution, administration and/or other services. Such additional revenue presents a conflict of interest because it creates an incentive to select Affiliated Products that could influence specific recommendations.

## **INVESTMENT RISKS**

All investments have risk associated with them and a potential for loss. Clients must be able to bear this risk of loss. While our investment strategies seek to produce high returns for a given level of risk, we cannot guarantee that the investment objective or goal for a particular strategy will be achieved. Additionally, our investment decisions can result in loss, including the original principal amount invested. Please note that the risks listed below are in alphabetical order, not listed in order of severity.

**Overall Market Risk:** Securities markets are volatile, and the market prices of securities may decline. Securities fluctuate in price based on changes in a company's financial condition and overall market and economic conditions.

**Risks Related to Investing for Growth:** Due to their relatively high valuations, growth stocks are typically more volatile than value stocks. For instance, the price of a growth stock may experience a large decline on a forecast of lower earnings, a negative fundamental development, or an adverse market development. Further, growth stocks may not pay dividends or may pay lower dividends than value stocks. Growth stocks depend more on price changes for returns and may be more adversely affected in a down market compared to value stocks that pay higher dividends.

**Risks Related to Investing in Global Industry Classification Standards (GICS) Sectors:** Investments in GICS sectors will typically involve investing in a broad group of companies that are part of the same industry. Securities in each GICS sector may suffer collectively in the event of an adverse market or economic action.

**Company Size Risk:** Generally, the smaller the market capitalization of a company, the fewer the number of shares traded daily, the less liquid its stock and the more volatile its price. Medium- and small-capitalization stocks may be less liquid and more volatile than stocks of larger, well-known companies. Companies with smaller market capitalizations also tend to have unproven track records, a limited product or service base and limited access to capital. During certain market periods, large capitalization dividend-paying value stocks will trail returns from the overall stock market. Large-capitalization stocks tend to go through cycles, which can last years, of doing better—or worse—than other segments of the stock market or the stock market in general.

**Interest Rate Risk:** Prices of fixed income securities rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as the demand for particular fixed income securities, may cause the price of certain fixed income securities to fall, while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed income securities with longer durations. Duration measures the price sensitivity of a fixed income security to changes in interest rates.

**Credit Risk:** Fixed income securities carry a risk of default, which occurs when the security issuer fails to pay interest or principal when due. Many fixed income securities receive credit ratings from services such as Standard & Poor's and Moody's Investor Services, Inc. These services assign

ratings to securities by assessing the likelihood of issuer default. Lower credit ratings correspond to higher credit risk.

Call Risk: Call risk is the possibility that an issuer may redeem a fixed income security before maturity (a call) at a price below its current market price. An increase in the likelihood of a call may reduce the security's price.

Dividend Risk: Certain investment strategies target companies that the manager believes have potential for attractive dividends. Performance of such a strategy would be negatively impacted to the extent such companies reduce or stop paying dividends. Similarly, such strategies could also be negatively impacted by changes in tax laws that reduce incentives for companies to pay dividends.

Prepayment Risk: Certain issuers of fixed income securities repay principal prior to the bond's maturity date, thereby changing the expected payment schedule. This is especially prevalent with mortgage-backed securities during periods of falling mortgage rates when homeowners tend to refinance higher interest rate mortgages with lower interest rate mortgages. Conversely, prepayments due to refinancing tend to decrease when mortgage rates increase. This extends the life of mortgaged-backed securities with lower interest rates. Other economic factors can also lead to increases or decreases in prepayments. Increases in prepayments of high interest rate mortgage-backed securities or decreases in prepayment of lower interest rate mortgage-backed securities may reduce their yield and price. These factors, particularly the relationship between interest rates and mortgage prepayments, makes the price of mortgage-backed securities more volatile than many other types of fixed income securities with comparable credit risks.

Asset Allocation Risk: Asset allocation strategies are subject to the risk that WTIA's asset allocation decisions among various asset classes will fail to anticipate market trends. For example, investing too heavily in common stocks during a stock market decline may result in a failure to preserve more capital than a portfolio invested in a higher concentration of fixed income investments. Conversely, investing too heavily in fixed income securities during a period of stock market appreciation may result in lower total returns than a portfolio with a higher allocation to stocks.

Third-Party Management Risk: The performance of third-party manager strategies is largely dependent on the performance results achieved by those appointed third-party managers. WTIA will not have an active role in the day-to-day management or the ability to direct the specific investment decisions made by these third-party managers. The failure of the third-party managers to make profitable investments may have a negative impact to the client's portfolio.

Alternative Asset Classes: Investing in alternative asset classes such as commodities, hedge funds, real estate, bank loans and derivatives, and the buying and selling of options and futures contracts have their own unique risks including, but not limited to, market risk, interest rate risk, counterparty risk, lack of liquidity, volatility of returns, absence of valuation and pricing information, delays in tax reporting and substantial loss due to speculative investment practices such as leveraging and short-selling.

Currency Risk: Changes in foreign currency exchange rates can negatively affect the value of a portfolio's foreign securities. Devaluation of a currency by a country's government or banking authority also will have a significant negative impact on the value of any investments denominated in that currency.

International Equity Risk: Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. International equities can be more volatile and less liquid than investments in U.S. equities and may lose value because of adverse local, political, social, or economic developments overseas, or due to changes in the exchange

rates between foreign currencies and the U.S. dollar. In addition, international investments are subject to settlement practices and regulatory and financial reporting standards that differ from those of the U.S.

Investment Style/Factor Risk. Investment strategies make investments on the basis of sector and/or industry selection, factor selection, or style could underperform other investment strategies that employ a different basis for investing.

Exchange Traded Fund Risk: Certain strategies and funds use exchange-traded funds (“ETFs”). Many ETFs use an indexing approach and may be affected by a general decline in market segments or asset classes relating to their underlying index. Such ETFs invest in securities and instruments included in, or representative of, their underlying index regardless of the investment merits of the underlying index. ETFs generally will not be able to duplicate exactly the performance of the underlying indexes they seek to track. Although ETFs are generally listed on securities exchanges, there can be no assurances that an active trading market for ETFs will be maintained. In addition, secondary market trading in ETFs may be halted by a national securities exchange because of market conditions or for other reasons.

Master Limited Partnerships Risk: Investing in MLPs entails risks related to fluctuations in energy prices, decreases in the supply of, or demand for, energy commodities, decreases in demand for MLPs in rising interest rate environments, unique tax consequences due to the partnership structure and potentially limited liquidity.

.

Foreign, Emerging, and Frontier Markets Risk: The value of a client’s portfolio may be adversely affected by changes in currency exchange rates and political and economic developments across multiple borders. Generally, investment markets in emerging markets are substantially smaller, less liquid, and more volatile than those in developed markets.

ADR Risks: Strategies authorized to invest in non-U.S. equities may utilize American Depositary Receipts (ADRs). ADRs are deposit receipts issued by banks representing interests in securities issued by non-U.S. companies. ADRs are subject to the risks associated with investment in foreign countries described above. Even though an ADR may be traded in the U.S., investors may not have the same access to financial information that they would if they invested in securities of a U.S. issuer. ADRs may be subject to periodic service provider fees by the bank that issued the deposit receipts.

ESG Risk: There is no guarantee that integrating Environmental, Social, or Government analysis will provide improved risk-adjusted returns over any specific time period. The evaluation of environmental, social and governance factors will affect a strategy’s exposure to certain issuers, industries, sectors, regions, and countries and may impact the relative financial performance of the strategy depending on whether such investments are in or out of favor.

## **ITEM 9 – DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of WTIA or the integrity of WTIA’s management. WTIA has no legal or disciplinary events to disclose.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Pursuant to inter-company arrangements, WTIA provides investment advisory services, to M&T Bank, WTC, a subsidiary of M&T Bank, and M&T Bank’s banking affiliate, WTNA (collectively “the Banks”). The Banks’ use such advice in connection with their role as investment managers

and trustees of certain trust and other accounts. The services provided by WTIA to the Banks include advice regarding economic and market trends, investment models (which include WTIA-affiliated products and strategies) and investment advice with respect to asset allocations, and recommendations regarding third-party investment vehicles and investment managers. WTIA also sub-advises certain equity and fixed income accounts for the Banks. The use of such affiliated products and strategies in client accounts results in additional revenue to M&T Bank and/or its affiliates, as compensation for investment management, execution, administration, or other services. As a result, there is an incentive to select affiliated products that can influence specific recommendations.

When WTIA's investment products and services are utilized by its affiliates, WTIA receives financial compensation, primarily in the form of fees for its investment advice.

Further, WTIA recommends to certain qualified clients other services of WTIA or its affiliates ("RIA Affiliates") including investment in private funds where WTIA's affiliate, WTIM, serves as general partner, managing member and/or investment manager. As a result, WTIA and/or WTIA's affiliates receive additional compensation in the form of advisory and other fees earned in connection with the private funds or other offerings. Thus, the recommendation of affiliated investments and other services creates a conflict of interest, whereby WTIA and/or WTIA's affiliates earn incremental additional revenues.

WTIA invests client assets in mutual funds managed by it and/or its affiliates, and to which its affiliates provide services. Clients incur additional expenses in connection with such investments. These additional expenses include management fees paid by the funds to WTIA, its affiliates, and third-party managers.

Clients also incur distribution, service, sub-accounting, and similar fees, charged by private funds, mutual funds, and ETFs, and paid to fund service providers, to the extent such fees are born by shareholders of such funds and ETFs. A WTIA client invested in a Wilmington Fund (other than money market funds) receives a credit against its periodic account fee equal to its pro-rata share of the advisory fees payable to the fund. Alternatively, WTIA client assets invested in a Wilmington Fund will be excluded from the market value on which WTIA's account-level fee is calculated.

The Banks or an affiliate may serve as trustee, investment manager or custodian on accounts managed by WTIA. In addition, the Banks or an affiliate may serve as trustee, investment manager or custodian for accounts that invest in the Wilmington Funds. M&T Bank and WTNA also offer deposit accounts that allow cash balances to be "swept" into certain money market products offered by the Wilmington Funds.

As described in Item 4: "Advisory Business", WTIA serves as sub-adviser to the Wilmington Funds. For these sub-advisory services, WTIA receives sub-advisory fees directly from WFMC, the investment adviser to the Wilmington Funds and an affiliate of WTIA. WTIA also makes recommendations respecting third parties that may be engaged to serve as sub-adviser to a Wilmington Fund portfolio. Where WTIA recommends a third party to act as sub-adviser, WTIA is responsible for the continuous ongoing monitoring and oversight of the third-party manager.

WFMC also provides fund administration services, and other services to the Wilmington Funds, and receives fees for those services. A description of the services provided and fees charged is contained in the prospectus for the Wilmington Funds.

To the extent permitted by applicable law and consistent with each client's investment objectives, certain subsidiaries and other related persons of M&T Bank Corporation make products or services available in which M&T Bank and/or a related person has a financial interest. Certain personnel of M&T Bank, as representatives of LPL Financial LLC, recommend WTIA managed strategies, funds

and sell life insurance and annuities which result in revenue to WTIA and/or M&T Bank. Additionally, certain personnel of M&T Bank, as representatives of LPL Financial LLC, sell life insurance and annuities.

Some employees of WTIA are leased to and/or designated as dual officers of other affiliates of M&T Bank Corporation, and, as dual officers, and/or leased employees, such individuals will perform duties for multiple organizations.

WTIA engages M&T Bank affiliates to provide services in areas such as operations, technology, information systems, data security, human resources, risk management, regulatory compliance, and legal advice.

WTIA is under common control with M&T Securities, Inc. (“MTS”), a broker-dealer registered under the Securities Exchange Act of 1934. MTS offers corporate underwriting services. MTS also routinely effects securities transactions, as agent for its clients for compensation including for WTIA.

MTS receives compensation in the form of a commission, a mark-up, a dealer concession, or other usual and customary compensation, depending upon the role played by MTS. Since both WTIA and MTS are owned by M&T Bank and MTS derives revenue when performing services for WTIA clients, there is an incentive for WTIA to utilize the services of MTS.

This activity creates a conflict of interest. To ensure that the conflict-of-interest concerns raised by using an affiliated broker are adequately addressed, the Wilmington Trust Best Execution Team, of which WTIA’s Chief Compliance Officer is a member, periodically reviews MTS commissions to ensure they are in-line with industry norms.

In addition, periodic evaluations of commissions charged, and other revenues received by MTS are performed to ensure that such commissions are comparable to the commissions that would be charged if an unaffiliated broker were used.

WTIA has adopted procedures designed to avoid potential conflicts in transactions involving MTS, and to ensure that the interests of WTIA clients are protected and that WTIA follows rules as required by applicable law, including the Investment Advisers Act of 1940 (the “Advisers Act”) and the Investment Company Act of 1940.

#### **Affiliated Investment Advisers**

- Wilmington Funds Management Corporation (“WFMC”)  
WFMC, a wholly owned subsidiary of M&T Bank Corporation, is an SEC-registered investment adviser. WFMC provides investment advisory and management services to the Wilmington Funds.
- Wilmington Trust Investment Management, LLC (“WTIM”)  
WTIM, a wholly owned subsidiary of M&T Bank Corporation, is an SEC-registered investment adviser. WTIM serves as the general partner managing member and/or investment manager of the Rodney Square Private Funds. WTIM also provides investment advisory services to certain wealth clients.
- People’s United Advisors, Inc. (“PUA”)  
PUA, a Connecticut corporation and a wholly owned direct subsidiary of M&T Bank, is an SEC-registered investment advisor. PUA provides investment advisory and management services to certain clients.

### **M&T Securities, Inc. (MTS)**

MTS, an affiliate of WTIA, is a member of FINRA, an SEC-registered broker-dealer and a member of the Securities Investor Protection Corporation. MTS functions primarily as an institutional broker-dealer offering securities underwriting and securities trading services to institutional clients.

Where permitted by law, and subject to its duty to seek best execution, MTS may act as underwriter, dealer, principal or agent, or its services may be limited to brokerage services. The compensation earned by MTS is in addition to advisory fees earned by WTIA. WTIA's engagement of MTS for brokerage services is subject to legal and regulatory restrictions on transactions between affiliates, including limits on the amount and rating of securities purchased and limits on compensation that may be paid by WTIA or received by MTS.

Since WTIA and MTS are affiliates under common control and MTS derives revenue when performing services for WTIA clients, there is an incentive for WTIA to utilize the services of MTS. This activity creates a conflict of interest. To ensure that the conflict-of-interest concerns raised by using an affiliated broker are adequately addressed, the Wilmington Trust Best Execution Team, of which WTIA's Chief Compliance Officer is a member, periodically reviews MTS commissions to ensure they are in-line with industry norms. In addition, periodic evaluations of commissions charged, and other revenues received by MTS are performed to ensure that such commissions are comparable to the commissions that would be charged if an unaffiliated broker were used. WTIA has adopted procedures designed to avoid potential conflicts in transactions involving MTS and ensure that the interests of WTIA clients are protected.

### **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

WTIA's personnel are subject to internal policies, including standards of professional conduct and a Code of Ethics designed to address matters involving potential conflicts of interest between clients and those of WTIA, its related persons, and its personnel.

Employees of WTIA may from time-to-time purchase and/or sell securities that are also purchased or sold for the accounts of WTIA's clients. Pursuant to the Firm's Code of Ethics, written procedures are established requiring that certain transactions for "access" persons be approved, in advance, to ensure the avoidance of any conflict of interest relating to such transactions. All access persons are required to report on a quarterly basis any transactions made for their personal accounts or the accounts of related persons over which the access person may have influence, control, or a beneficial interest.

Access persons must also report quarterly their holdings of all securities covered under the Code of Ethics and must certify quarterly as to their understanding of and compliance with the Code. A copy of the Code is available to clients upon written request to WTIA at the address set forth on the cover page.

As noted above, WTIA is a corporate subsidiary (and therefore a "related person") of M&T Bank, a New York- chartered Federal Reserve Member bank. M&T Bank has power and authority under relevant laws to engage by itself or through an affiliate in a variety of activities, including the power to act as fiduciary for trust accounts, the limited authority to act as underwriter with respect to certain types of securities, and the authority to conduct treasury



functions, such as the purchase and sale of securities for the Bank's own account. Circumstances could arise where the activities of M&T Bank represent a conflict with actions of WTIA. For example, because it may purchase securities as principal for its own account, M&T Bank could seek to acquire, without the knowledge of WTIA, a security that WTIA is concurrently seeking to purchase on behalf of a client.

Also, to the extent consistent with the investment policy and best interests of the client, and applicable law, WTIA may acquire securities as to which M&T Bank has acted as underwriter or selling syndicate member. WTIA may also purchase securities issued by corporations that are current or prospective borrowers from M&T Bank. Nonetheless, in the foregoing situations, and more generally as a matter of ordinary business practice, WTIA seeks to place the interests of its clients above any known or perceived conflict with M&T Bank or its other affiliates, or the interests of their respective clients.

With respect to all of the foregoing, WTIA will not consider the financial relationships of M&T Bank or any related person when purchasing or selling securities for a client account.

## **ITEM 12 – BROKERAGE PRACTICES**

### **Broker Selection and Best Execution**

It is WTIA's policy to seek to obtain best execution of trades. WTIA will utilize various trading venues when entering/executing trades on behalf of its advisory clients.

WTIA considers a number of factors when determining whether to use a brokerage firm, including but not limited to:

- The reputation and perceived soundness of the firm
- Whether the firm provides comprehensive coverage of investment instrument being traded
- Whether the firm is sufficiently knowledgeable about the market and about the security being traded so that prompt and accurate execution will be achieved
- Whether the trade prices of the security offered by the firm represents fair market value and the commission charged is reasonable
- The firm's ability to execute block trades
- Quality and quantity of investment research furnished by the broker/dealers to WTIA
- The firm's standard of back-office and settlement arrangements

In arranging for equity trades in client portfolios, WTIA generally favors MTS, its affiliated broker-dealer, due to the quality of trade execution provided by MTS which is consistently superior to that of unaffiliated broker-dealers. Consequently, a significant proportion of WTIA equity trading is directed to MTS. When WTIA does not select MTS to execute a trade, WTIA seeks to use the broker or other trading venue that will provide best execution, which is the most favorable combination available, at a given time for a given quantity of a security, which takes into account factors that include the price obtained, commission charged, liquidity, market conditions, required urgency of execution and whether the broker provides research products or services. Trades executed with unaffiliated



broker-dealers are typically for client portfolios ineligible for trading with MTS (for example, ERISA accounts) or to generate soft-dollar commission credits to be used for research purposes. The quality of equity trades executed with unaffiliated broker-dealers are typically inferior to execution quality available through MTS.

Electronic Communications Networks (ECNs) are used when WTIA believes the use of an ECN will help achieve best execution. Commission rates vary significantly depending on the circumstances of a particular trade. For example, trades in smaller capitalization stocks, which are often less liquid than large capitalization stocks, may be more difficult to effect, and therefore may command relative higher commissions. Likewise, trades in non-U.S. securities may be subject to higher commissions as well as overall higher trading costs.

WTIA endeavors to be aware of the transactional fees charged by eligible broker-dealers, and to minimize the expense incurred for effecting transactions to the extent consistent with the interests and policies of accounts. However, WTIA has no obligation to seek the lowest commission rate for a particular transaction or to select a broker-dealer on the basis of its purported or “posted” commission rates.

WTIA directs equity securities transactions to be executed through MTS, its affiliated broker-dealer. MTS undergoes the same review process as a non-affiliated brokerage firm with respect to its inclusion on WTIA’s Approved Broker List. WTIA, via Wilmington Trust’s Best Execution Team, periodically reviews commission rates paid to broker-dealers, including MTS, for equity trades to confirm that the rates paid are reasonably consistent with WTIA’s best execution obligation. Generally, the commission rates paid to MTS are equivalent to those paid to unaffiliated firms even though MTS provides execution-only services to WTIA, while unaffiliated firms provide research and other valuable services in addition to trade execution. WTIA believes the commissions paid to MTS are justified by the superior quality of execution achieved by MTS.

With regard to fixed income trading, transactions are typically affected in an over the counter-market on a net basis (i.e., without commission) through dealers acting as principal or in transactions directly with the issuer. Dealers derive an undisclosed amount of compensation by offering securities at a higher price than they paid for them. Some fixed income securities, particularly non-investment grade and municipal securities, may have only one primary market maker. WTIA seeks to use dealers it believes are actively and effectively trading the security being purchased or sold but may not always obtain the lowest available price with respect to a security. WTIA does not use fixed income trades to generate soft dollars or spread rebates.

In certain circumstances, WTIA crosses trades between two advisory clients where it is deemed to be in the clients’ best interests and there is sufficient liquidity to ensure accurate pricing. However, WTIA will recommend any such transaction only to the extent it believes the trade is suitable for both clients. No commissions are charged by WTIA on such cross trades. We will not affect cross trades for client accounts that are subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

### **Third Party Research and (“Soft Dollar”) Practices**

WTIA executes portfolio transactions with brokerage firms that provide proprietary and/or third-party research products and services, as well as trade execution.

WTIA uses the proprietary and third-party research received through broker-dealer firms to enhance internal research and assist in its securities evaluation and portfolio decision-making process. Products and services may include:

- Analyses, publications, or reports that discuss issuers, industries, securities, economic factors and trends, security values or the advisability of investing in a security
- Services that summarize or provide analysis of financial statements, regulatory filings of security issuers or insiders, and corporate reference books
- Receipt of quotations for portfolio evaluations, historical security and market data for portfolio modeling purposes and analysis of portfolio characteristics
- Performance ranking or analytic services and credit rating services
- Other products and services, as identified by the firm's portfolio managers and analysts as providing information to enhance the investment decision-making process

Broker-dealers used by WTIA may be firms that provide research products or services or execution-only firms that do not provide these services. In seeking to obtain best execution, WTIA's selection of a broker-dealer may take into account the full range and quality of the broker's or dealer's services, including execution capability, commission rates, research, reputation and integrity, fairness in resolving disputes, financial strength and responsibility, responsive and other relevant factors. In consideration of services provided by a broker or dealer, WTIA may cause a broker or dealer executing transactions for an account to be paid commissions in excess of those another broker or dealer might charge. Receipt of research services and products from brokers or dealers who execute client trades involves conflicts of interest.

An adviser using client brokerage commissions to obtain research or other products, or services receives a benefit because it does not have to produce or pay for the research itself. Consequently, WTIA has an incentive to select or recommend a broker based on WTIA's interest in receiving research at a discount or cost-free rather than on its clients' interest in receiving most favorable execution.

It is WTIA's policy that the benefits of research or other services acquired with commission dollars be allocated among all investment advisory accounts (including mutual fund portfolios managed by WTIA) even though certain accounts may not specifically generate commissions to pay for the service or research product involved. The Best Execution Team periodically evaluates the value of each broker's research, execution capabilities and services and projects the commissions required to pay for these services. The Team also reviews amount of commissions directed to each broker and the services received and adjustments (increases or decreases to the planned amount) are made accordingly.

### **Directed Brokerage**

"Directed Brokerage" is an arrangement whereby a client retains responsibility for the selection of brokers through which transactions are executed for the client's account. While this allows a client to retain autonomy over brokerage selection, directed brokerage accounts can experience adverse consequences. For example, WTIA could be in a better position to obtain more favorable brokerage commissions or execution prices on the client's behalf because of the volume of business it does with various brokers. WTIA may also not be able to execute transactions in certain types or issues of securities through the broker designated and may not be able to aggregate the order with other orders to the same broker, which could adversely impact the liquidity of the account, or the price received compared with aggregated trades.

## Trade Aggregation/Allocation Practices

WTIA manages numerous accounts, some of which trade in the same securities. When orders to purchase or sell the same security are placed for more than one account managed by WTIA or its affiliates, to the extent reasonably practicable, WTIA attempts to aggregate the transactions to facilitate best execution.

Where transactions are aggregated, each client account participates in the aggregated order at the average price per share, and all transaction costs will be borne on a pro rata basis or equally, depending on the type of cost.

If it is not reasonably practicable to aggregate trades, or if only part of an order can be filled, WTIA attempts to allocate portfolio transactions equitably among accounts. In making such allocations, the factors considered may include the investment objectives of affected accounts, the relative size of portfolio holdings of the same or comparable securities, whether the transaction would result in a meaningful position for the client's account, the availability of cash for investment, and the opinion of the persons responsible for recommending investments to the account. In some cases, WTIA's allocation process could have an adverse effect on the price or amount of securities available to a particular account. In the opinion of WTIA, however, the results obtained by application of this process will, on the whole, be in the best interest of each client.

Initial public offerings ("IPOs") are offerings of securities that frequently are of limited size and availability. To the extent WTIA purchases stocks for its clients through an IPO, WTIA's practice is to allocate IPO shares fairly and equitably among advisory clients over time.

The total allocation of an IPO received by WTIA is allocated across the most suitable investment strategy or strategies as determined by WTIA's portfolio management team. WTIA determines which strategy or strategies will participate in an IPO based on each strategy's investment objectives and restrictions and the investment merits of the security being offered. Generally, the total allocation of an IPO received by WTIA is allocated pro-rata across all eligible accounts within each participating investment strategy.

WTIA will at times allocate an IPO to a single investment strategy and not another based on investment criteria, availability of cash, or minimum allocation procedures. If WTIA determines that the number of shares received in an offering is insufficient to make a meaningful impact on the performance of a given strategy, WTIA will allocate the IPO shares to another investment strategy or strategies containing fewer assets under management. Because WTIA (like many advisers) typically does not receive as many IPO shares as desired, WTIA's allocation procedures may disproportionately impact the performance of investment strategies containing fewer assets under management.

## Trade Errors

It is the policy of WTIA that utmost care is to be taken in making and implementing investment decisions on behalf of client accounts. To the extent any errors occur during this process, they are to be:

- Corrected as soon as possible and in such a manner that the client incurs no loss, and the account is made whole. A profit or gain resulting from a trading error will be credited to the account.
- Reported to WTIA's Chief Compliance Officer ("CCO"), or delegate,

immediately after the error is detected. If deemed necessary by the CCO, the error will be reported to WTIA management and, if appropriate, additional procedures will be designed and implemented to prevent or reduce errors

### **ITEM 13 – REVIEW OF ACCOUNTS**

Each business day, WTIA's investment advisers review trade recap reports that document the previous day's securities transactions initiated on behalf of client accounts. WTIA also utilizes automated pre-trade compliance monitoring for select guideline parameters to ensure consistency with client investment guidelines.

All accounts for which WTIA has investment management responsibility are reviewed at least annually. New accounts are generally reviewed within 60 days of inception. Both the initial and annual reviews focus on the account's portfolio construction relative to the client's investment guidelines and compliance with the respective WTIA strategy. With respect to WTIA's consulting clients, relationship reviews are performed at least annually.

WTIA provides clients with a portfolio review on a periodic basis (at least annually), which includes asset allocation and performance data as well as an economic and market review and outlook. This portfolio review may contain a list of assets and typically details acquisition cost, market value, percent of portfolio value, yield, estimated annual income and accrued income. Clients are urged to compare the information contained in their Portfolio Review with the account statement received from their custodian and to promptly report any discrepancies.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

Employees of M&T Bank and its subsidiaries and affiliates who refer prospective clients to WTIA are eligible to receive a referral fee or other compensation for such referral activity. Such referral fees and other compensation are not paid by WTIA, but rather, are paid by the relevant affiliate of WTIA. The cost of such payments is not passed on to the WTIA client who has been referred. Executive management is excluded from this program.

Payment of compensation for referrals of clients and prospective clients involves a conflict of interest to the extent that such a referral is biased, and the referring party is, at least partially, motivated by financial gain. In light of the conflict of interest inherent with such referrals, we have established the following restrictions consistent with our fiduciary responsibilities:

- All such referral fees are paid in accordance with the requirements of the Advisers Act of 1940.
- Any such referral fee will not result in any additional charge to the client.
- All referred clients will be carefully screened to ensure that our fees, services, and investment strategies are suitable to their investment needs and objectives.

### **ITEM 15 – CUSTODY**

As a matter of policy, WTIA does not maintain physical custody of client's assets. It is our policy that we will not intentionally accept or hold client funds or securities or have any authority to obtain possession of them. However, in accordance with the Advisers Act, WTIA is deemed to have custody of client accounts due to the following:

- As a consequence of its authority to have advisory fees deducted directly from the client's custody account
- Through its affiliation with the Banks, which serve as custodian for WTIA client accounts

Clients should receive at least quarterly, statements from the broker-dealer, bank or other qualified custodian that holds and maintains the clients' investment assets. WTIA urges clients to carefully review such statements and compare such official custodial records to any account information that we may provide to you. Account information that we provide may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **ITEM 16 – INVESTMENT DISCRETION**

As applicable, WTIA receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, WTIA observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, WTIA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

WTIA receives an executed investment management agreement from the client providing the authority to manage their account assets.

We also may request certain documentation in addition to an executed investment management agreement such as an investment policy statement and negotiated fee schedule.

Where WTIA acts as sub-adviser to the Wilmington Funds, WTIA has discretionary authority over the relevant portfolio, subject to the oversight of WPMC, pursuant to an agreement approved by the Funds' Board of Trustees.

## **ITEM 17 – VOTING CLIENT SECURITIES**

In its role as investment manager, WTIA may, if authorized by the client, receive solicitations to vote proxies with respect to securities held on behalf of the client's accounts. WTIA seeks to vote client proxies in a manner consistent with sound corporate governance that is designed to maximize shareholder value. Additionally, for the ESG Equity Strategy, proxies are voted in accordance with the domestic and international sustainability guidelines adopted by WTIA, as applicable.

For that reason, WTIA has retained Institutional Shareholder Services, Inc., ("ISS"), to provide recommendations on how proxies should be voted and to cast votes on behalf of WTIA's clients.

ISS is an independent firm that specializes in analyzing shareholder voting issues, including the provision of widely-followed corporate governance policies and recommendations on specific matters.

We believe that material conflicts of interest that could arise as a result of voting client proxies are adequately mitigated by relying upon the recommendations of ISS. However, conflicts of interest

may arise in cases where we determine to vote a proxy other than as recommended by ISS or in instances where ISS does not provide a recommendation.

In such cases, the matter will be presented to the Proxy Voting Team, for review. The manner in which proxies involving a material conflict of interest have been voted by WTIA, as well as the basis for any determination that WTIA does not have a material conflict of interest with respect to a particular matter will be documented and maintained by the Proxy Voting Team.

Clients who wish us to vote their shares in a certain manner, on a particular proxy item, should contact their account representative, or WTIA at the number provided on the cover page. Further, a record of proxy votes cast on your behalf by WTIA, or a copy of WTIA's proxy voting policy, is available upon written request to WTIA at the address set forth on the cover page.

#### **ITEM 18 – FINANCIAL INFORMATION**

WTIA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.