



# Wilmington Trust Retirement and Institutional Services Company Collective Investment Trust

## Additional Disclosures

### Management of the Fund

*Trustee:* Wilmington Trust Retirement and Institutional Services Company (the "Trustee") serves as Trustee of the Fund and maintains ultimate fiduciary authority over the management of, and investments made, in the Fund. The Fund is part of the Wilmington Trust Retirement and Institutional Services Company Collective Investment Trust (the "Trust") operated by the Trustee. The Trustee is a wholly owned subsidiary of Wilmington Trust FSB.

Wilmington Trust Company and Wilmington Trust, FSB ("Wilmington Trust") provide Corporate Client Services for institutional clients in 90 countries and Wealth Advisory Services for high-net-worth clients in 33 countries. Wilmington Trust has offices in Arizona, California, Connecticut, Delaware, Florida, Georgia, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, Pennsylvania, South Carolina, Vermont, the Cayman Islands, the Channel Islands, London, Dublin, Frankfurt, Luxembourg, and Amsterdam. Wilmington Trust is owned by M&T Bank Corporation. M&T is a financial holding company headquartered in Buffalo, New York. M&T's primary banking subsidiaries, M&T Bank (including the Wilmington Trust Division of M&T Bank) and M&T Bank, National Association, operate retail and commercial bank branches in the Northeast United States, Florida, and Ontario, Canada.

### Basic Terms and Conditions

This Disclosure Statement, which summarizes the basic terms and conditions of the Fund, is only a summary of some of the key features of the Fund. Participation in the Fund is governed by the Trust Agreement and the terms of the participation materials, which must be reviewed and signed by the Plan sponsor or Plan fiduciary. In the event of a conflict between the provisions of this Disclosure Statement and the Trust Agreement or participation materials, the Trust Agreement or participation materials control. Please carefully review the Trust Agreement and participation materials before investing in the Fund.

The Fund is maintained by the Trustee as part of the Trust, which was established on October 6, 2005. It is a "group trust" within the meaning of Internal Revenue Service Revenue Ruling 81-100, as amended, and is exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund is not a mutual fund.

*Audit and Financial Account:* The Fund will be audited at the end of each calendar year by independent certified public accountants responsible to the Trustee's Board of Directors. Audit fees will be charged to the Fund. Within 90 days following the close of each calendar year, the Trustee will prepare a written account of all transactions relating to the Trust and the Fund. This written account will be based upon the audit performed on the Fund. The Trustee will make a copy of the

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written account available to each participating Plan or any other interested party upon request.

*Amendment:* The Trustee may amend the Trust Agreement or the Fund from time to time in order to satisfy the requirements for tax exemption under the Internal Revenue Code of 1986, as amended (the "Code") or as it may otherwise deem necessary, subject to the applicable terms of the participation materials. The Trust Agreement may not be amended in such a way that would result in a distribution or payment to a Plan sponsor other than as provided under the Trust Agreement or for the benefit of persons other than those entitled to benefits under the participating Plans.

*Termination:* The Trustee may, in its sole discretion and upon notice to each participating Plan, terminate the Trust or Fund or any class thereof at any time. Upon termination, the Trustee may first reserve reasonable amounts as it may deem necessary to discharge any expenses chargeable to the Trust and thereafter will distribute the remaining assets to the participating Plans in proportion to each Plan's interest in the Trust or Fund or class.

*Closing of Fund:* The Trustee, in its sole discretion, may close the Fund or a class of the Fund to new participating Plans at any time. Subject to the Trustee's right to terminate the Trust (as described above), the Fund shall continue to be administered until all Units have been withdrawn.

### **Participation and Eligibility**

The Fund accepts investments from participants through:

1. employee benefit plans that qualify for exemption from federal income tax pursuant to Section 401(a) and 501(a) of the Code;
2. tax-exempt retirement plans that are maintained by a governmental

employer under Section 414(d) of the Code or are eligible governmental plans that meet the requirements of Section 457(b) of the Code, including, for this purpose, custodial accounts that are treated as a trust under Code section 401(f) or under Code section 457(g)(3); and

3. group trusts or separate accounts (as defined by Section 2(a)(37) of the 1940 Act) which consist solely of assets of the foregoing types of plans (each, a "Plan").

An investment in the Fund can only be made if all of the requirements for participation are met and the investment is authorized by the Plan sponsor or other named fiduciary with authority to direct Plan investments.

In order for a Plan to invest in the Fund, an eligible Plan must complete and return all necessary participation materials and other required documentation to the Trustee (or its authorized representative) and specifically authorize and direct the investment of assets in the Fund. If at any time the Trustee determines that the Plan is no longer eligible for participation in the Fund, the Plan's investment in the Fund will be promptly withdrawn and returned to the Plan.

### **Purchasing and Redeeming Units**

Investment in the Fund is evidenced by units ("Units"). Each Unit represents a proportionate undivided interest in all of the Fund's assets and liabilities. Each Unit is entitled to the allocated proportionate share of all income, expenses, profits and losses of the Fund.

Units of the Fund may be purchased and redeemed daily. Please consult with your Plan or Plan fiduciary to determine how to purchase Units and procedures to redeem Fund Units. The purchase and redemption prices will be the net asset value ("NAV") which is next computed after receipt of the purchase or redemption request in good order by the Trustee or the Trustee's authorized representative. Purchase and

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redemption requests received before the close of trading on the New York Stock Exchange ("NYSE") (generally, 4 p.m. ET) will be priced at that business day's NAV; requests received after the close of trading on the NYSE (generally, 4 p.m. ET) will be priced at the NAV on the next business day. The term "business day" as used herein shall mean any day on which the NYSE is open for trading.

If you place an order through an intermediary, please consult with the intermediary to determine when your order will be executed. Some intermediaries may require that they receive orders prior to a specified cut-off time.

Redemption requests may not be changed or cancelled after the valuation date on which the redemption is scheduled to take effect. While all participant-directed redemptions are typically processed on the day requested, the Trustee may, in its sole discretion, delay such redemptions for up to 10 business days.

*Prior Notice for Redemptions:* Advance written notice is required for any redemption directed by a Plan sponsor. If no specific date is set forth under such notice, the redemption will occur on the next business day after the redemption request is received. Redemptions will be made on a pro rata basis from the Plan's interest in the Fund.

*Large Transactions:* Advance written notice of 5 business days is required for any Plan sponsor-directed redemption of \$1,000,000 or more than ten percent (10%) of the Plan's assets invested in the Fund.

If total Fund redemptions from all Plans requesting redemptions exceed the amount of uncommitted cash and the liquid investments available on the redemption date, redemptions will be processed based upon the following priorities:

1. requests for redemptions in order to pay benefits from Plans;
2. requests for redemptions to effect transfers to other investment directed by Plan participants;
3. all other redemption requests.

The Trustee may, in its sole discretion, accept investments or satisfy redemptions from the Fund in kind, subject to the applicable provisions of the participation materials. The Fund reserves the right to restrict, reject or cancel any purchase, exchange or redemptions order for any reason. Please see "Frequent Trading of Fund Units" for additional restrictions on purchasing or redeeming Fund Units.

### **Frequent Trading of Fund Units**

The Fund is intended for long-term investment purposes and the Trustee discourages market timing, excessive trading or other abusive trading practices. "Market timing" refers to the practice of frequent purchases and redemptions of Fund Units, often with the intent to earn arbitrage profits. The Fund will monitor purchases, exchanges and redemptions for the appearance of abusive trading. The Fund reserves the right to reject any purchase, exchange or redemption that it detects as abusive trading in the Fund or otherwise restrict such transaction from any plan participating in the Fund.

Where appropriate, the Fund may also limit the number of purchases, sales, exchanges and/or rebalancing requests in any set rolling period and/or limit the number of rebalances permitted on an annual basis. Regularly scheduled (i.e., automatic) rebalancing transactions and redemptions in connection with plan distributions and disbursements are excluded from this policy.

Although the Fund will attempt to detect and discourage abusive trading schemes, there can be no guarantee that all instances of market timing, excessive or other short-term trading in Fund Units will be detected or prevented.

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### **Unit Valuation**

Units of the Fund will be valued each day on which the NYSE is open for trading in accordance with the valuation procedures established by the Trustee. The NAV per Unit is calculated as of the close of trading on the NYSE (generally, 4 p.m. ET) each day that the NYSE is open for business. To calculate the NAV, the Fund's assets are valued and totaled, liabilities are subtracted, and the balance is divided by the number of Units outstanding.

The Trustee may, from time to time, split or combine Units of the Fund as of a particular valuation date and the value of each Unit will be adjusted accordingly.

Assets held by the Fund are valued primarily on the basis of market quotations. Each asset is valued at the closing price at the time of valuation on the exchange or market on which the security is principally traded, or, if no closing price information is available, quotations obtained from a quotation reporting system, established market makers, or pricing services. If a market price is not readily available or if such price is deemed to be unreliable, it will be valued at "fair value" in accordance with valuation procedures established by the Trustee. The Fund's determination of "fair value" involves consideration of a number of subjective factors, and therefore, no single standard for determining fair value will apply.

Income and capital gains are not expected to be distributed to holders of Units of the Fund; it is anticipated that such items will be reflected in the NAV of the Fund.

### **Investors' Reliance on Federal Tax Advice in this Disclosure Statement**

The discussion contained in this Disclosure Statement as to federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or

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marketing of the transactions or matters addressed herein. Each taxpayer should seek federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.

*Tax Status:* The Trust has received a determination from the IRS that the Trust is exempt from federal income taxation under Section 501(a) of the Code and pursuant to the requirements of Revenue Ruling 81-100.

### **Tax Considerations**

Plans generally are exempt from federal income taxation under the Code. Plans, however, are subject to federal income taxation to the extent that they have "unrelated business taxable income," as determined in accordance with Sections 511-514 of the Code ("UBTI"), in excess of \$1,000 in any taxable year. To the extent that a Plan participant's interest in the Fund constitutes debt-financed property (for example, if the participant incurs a borrowing in connection with, or as a result of, acquiring its Units), income and gain derived from the participant's interest in the Fund may constitute UBTI. Furthermore, to the extent that the Fund holds property that constitutes debt-financed property (i.e., purchases securities on margin or enters into other borrowings) or property primarily for sale to customers ("dealer" property) or investments in certain pass-through entities, income and gain attributable to such property may constitute UBTI. Any tax on UBTI which is derived by the Fund from its activities will be reported and paid directly by the Fund and will not have to be reported for income tax purposes by participants. Plan fiduciaries should consult their own tax advisors regarding the likelihood and consequences of the Fund or the Plan receiving UBTI. In addition to the federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Fund. State and local laws often differ



from federal income tax laws in various respects.

**Certain Employee Retirement Income Security Act ("ERISA") Considerations**  
*The following discussion is, of necessity, general and limited to regulations and rulings in effect as of the date hereof. Prospective investors considering an investment in the Fund should consult with their own counsel and advisers with respect to the ERISA and Code considerations of making an investment in the Fund.*

*Fiduciary Considerations:* ERISA and the Code impose certain duties on persons who are fiduciaries of Plans. ERISA and the Code also prohibit certain transactions involving the assets of a Plan and its fiduciaries or other "party in interest" or "disqualified person" (collectively, a "party in interest"). Under these rules, any person who exercises any discretionary authority or control over the management or disposition of the assets of a Plan, or renders investment advice for a fee, directly or indirectly, is a fiduciary with respect to the Plan. When considering an acquisition of Units using Plan assets, a Plan fiduciary should determine, among other factors:

1. whether the investment is in accordance with the documents and instruments governing the Plan;
2. whether the investment satisfies the diversification requirements of ERISA, if applicable; and
3. whether the investment is prudent. A Plan fiduciary should not purchase Units if it determines that the Sub-Advisor, the Trustee, or any affiliate thereof is a fiduciary or other party in interest with respect to the Plan unless an exemption applies to the purchase.

Because the assets of the Fund will be treated as including "plan assets" under 29 C.F.R. §2510.3-101 and section 3(42) of ERISA (the "Plan Asset Rule"):

1. the fiduciary standards of ERISA will extend to investments made by the Fund; and
2. certain transactions in which the Fund might seek to engage could constitute "prohibited transactions" under ERISA and the Code.

If a prohibited transaction were to occur for which no exemption is available, any party participating in the prohibited transaction could be required to restore to the Plan any profit realized on the transaction and reimburse the Plan for any losses suffered by the Plan as a result of the transaction, and could be subject to excise tax penalties. Furthermore, the Fund itself will be treated as a Plan investor and thus the Fund may be precluded from making certain investments (or be required to modify the investments of the Fund) even if such investments might otherwise be desirable for the Fund.

*Direct Filing Entity:* For purposes of the Internal Revenue Service Form 5500, the Trustee will be a "direct filing entity."

*Governmental Plans:* Governmental plans, as defined in Section 3(32) of ERISA, are not subject to Title I of ERISA or Section 4975 of the Code, but may be subject to state laws that impose restrictions on the investments and management of the assets of such plans. Fiduciaries of governmental plans, in consultation with their advisers, should consider the impact of their respective state pension laws and regulations on investments in the Fund, as well as the considerations discussed above to the extent applicable.

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### **General Risk Considerations**

The decision to invest in the Fund and the risks involved in doing so should be carefully considered. The Fund should be considered a long-term investment. Consult your Plan fiduciary to determine whether an investment in the Fund is appropriate for you.

The value of your investment in the Fund may be expected to increase and decrease over time in accordance with changes in the value of the holdings of the Fund. When assets of the Fund are invested in other vehicles (such as ETFs and mutual funds), the Trustee does not control the trading policies or strategies of such entities.

There is no assurance that the stated investment objectives of the Fund will be achieved. You could lose all of your money invested in the Fund. It is important to note that an investment in the Fund is only one component of a balanced investment plan.

The Fund is not registered as an investment company under the 1940 Act, although the Fund may invest in the PIMCO PAPS Funds which are advised by PIMCO. As a result, the Fund will not be subject to the protections of the 1940 Act that apply to registered investment companies.

Investments in the Fund are not insured or guaranteed by any bank, the FDIC, or any other governmental entity.

Please read the section above, titled "Principal Risks of Investing in the Fund," for a detailed description of specific risk factors applicable to this Fund.

### **For More Information**

As noted above, this Disclosure Statement is only a summary of some of the key features of the Fund. Please carefully review the Trust Agreement and participation materials prior to investing in the Fund. The Trust Agreement and participation materials provide limitations on liability and indemnifications in favor of the Trustee. To learn more or obtain additional materials governing the Fund, please contact your Plan sponsor or Plan trustee. You may also obtain a copy of the Trust Agreement and participation materials, without charge by contacting:

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