

# Wilmington Trust Fiduciary Services Company Collective Investment Trust for Employee Benefit Plans

## Portfolio Disclosure Document

### Strategic Bond Portfolio

#### Objective

To generate a total return in excess of the Benchmark over a full market cycle.

#### Benchmark

Lehman Brothers Aggregate Bond Index

#### Method

To invest in a diversified range of fixed income securities and their futures or options derivatives while actively seeking the segments of the bond market that appear to offer the best total return prospects.

#### Permissible Investments

The Portfolio may invest in:

1. Obligations of U.S. and non-U.S. corporations such as mortgage bonds, convertible notes and debentures, preferred stock, commercial paper, certificates of deposits and bankers acceptances issued by industrial, utility, finance, commercial banking or bank holding companies;
2. Obligations of, guaranteed by or insured by the U.S. Government, its agencies or instrumentalities;
3. Mortgage backed and asset backed securities;
4. Obligations, including the securities of emerging market issuers, denominated in U.S. dollars or foreign currencies of international agencies, supranational entities and foreign governments (or their subdivisions or agencies), as well as foreign currency exchange related securities, warrants and forward contracts;
5. Obligations issued or guaranteed by U.S. local, city and state government and agencies;
6. Securities defined under Rule 144A and commercial paper defined under Section 4(2) of the Securities Act of 1933;
7. Repurchase agreements with respect to obligations in which the Portfolio is authorized to invest;
8. Futures or options derivatives of obligations in which the Portfolio is authorized to invest;
9. Shares of a registered investment company that is not sponsored by the Trustee or any affiliate of the Trustee and that has an investment objective consistent with the

overall investment objectives of the Portfolio. In the event the Trustee purchases shares of a registered investment company sponsored by the Adviser or an affiliate of the Adviser, the Trustee will reimburse the Portfolio in an amount equal to the investment advisory fee allocatable to the interest of the Portfolio in the registered investment company;

10. An interest in a Portfolio established by the Trustee under the "Collective Investment Trust for Employee Benefit Plans," none of which shall have an investment advisory or management fee; and An interest in a collective investment fund maintained by a bank or trust company other than the Trustee and which has an investment objective consistent with the overall investment objectives of the Portfolio.

#### **Investment Restrictions**

1. At the time of purchase, no security can be purchased that is rated below B by Standard and Poor's Ratings Group ("S&P") or Moody's Investor Services Inc. ("Moody's").
2. At the time of last purchase:
  - a. no more than 20% of the Portfolio may be invested in securities rated below investment grade. At least 80% of the securities holdings in the Portfolio will be of investment grade, rated as high or higher than the following standards, or their equivalent by one or more nationally recognized statistical rating organizations (NRSRO):
    - i. S&P: BBB- or A-2

- ii. Moody's: Baa3 or Prime-2
- iii. Fitch Ratings: BBB- or F-2

For securities with maturities of 270 days or less, the underlying credit's short-term ratings will serve as a proxy for establishing the minimum credit requirement;

- b. no more than 20% of the Portfolio may be invested in non-dollar denominated securities and no more than 10% of the Portfolio may be invested in unhedged non-dollar denominated securities;
  - c. no more than 10% of the Portfolio may be invested in non-U.S. securities (dollar and non-dollar denominated) rated below investment grade;
  - d. no more than 25% of the Portfolio may be invested in non-dollar denominated securities and securities rated below investment grade; and
  - e. no more than 5% of the Portfolio may be invested in original futures margin and option premiums, exclusive of any in-the-money portion of the premiums. Short positions will be hedged with cash, cash equivalents, current Portfolio security holdings, or other options or future positions. Futures and options will be limited to liquid instruments actively traded on major exchanges or, if over-the-counter, executed with major dealers.
3. Except for obligations issued by or guaranteed by the U.S. Government, its agencies and instrumentalities, or shares of a registered investment company or an

- interest in a collective investment fund, which may be purchased without limit,
- a. Obligations of other national governments are limited to 10% per issuer;
  - b. Private mortgage-backed and asset-backed securities are limited to 10% per issuer, unless collateral is credit-independent of the issuer and the security's credit enhancement is generated internally, in which case the limit is 25% per issuer; and
  - c. Obligations of other issuers are limited to 5% per issuer.
4. Split-rated securities are considered to have the lower credit rating. Credit quality restrictions apply to total Portfolio value at the time of last purchase. Securities which fall below the stated minimum credit requirements may be held at the Adviser's discretion. At the time of purchase.
5. The Portfolio may not invest in UBS AG securities.

This document is part of and should be read in conjunction with the Declaration of Trust of the Wilmington Trust Fiduciary Services Company Collective Investment Trust for Employee Benefit Plans. Wilmington Trust Fiduciary Services Company does not guarantee that actual results will meet the Objective, and the statement of the Objective should, under no circumstances, be construed as a guarantee, promise, or commitment that such results will actually be achieved or that there will not be a loss in value of the Portfolio.

Units of the Portfolio are not deposits or obligations of Wilmington Trust Fiduciary Services Company or any bank. The value of the Units or Portfolio assets is not guaranteed by the Federal Deposit Insurance Corporation or by any other Governmental agency or instrumentality. The Units are subject to investment risk, including illiquidity and possible loss of principal invested.

Amended effective November 7, 2007