

THE COLLECTIVE INVESTMENT TRUST (CIT) REVOLUTION

Navigating CIT Trends & Flows

Discover why more plans are turning to CITs over mutual funds

CITs offer both value and robust protections for retirement savers.

1. CITs Continue their Upward Trajectory

WITH MORE THAN

\$6

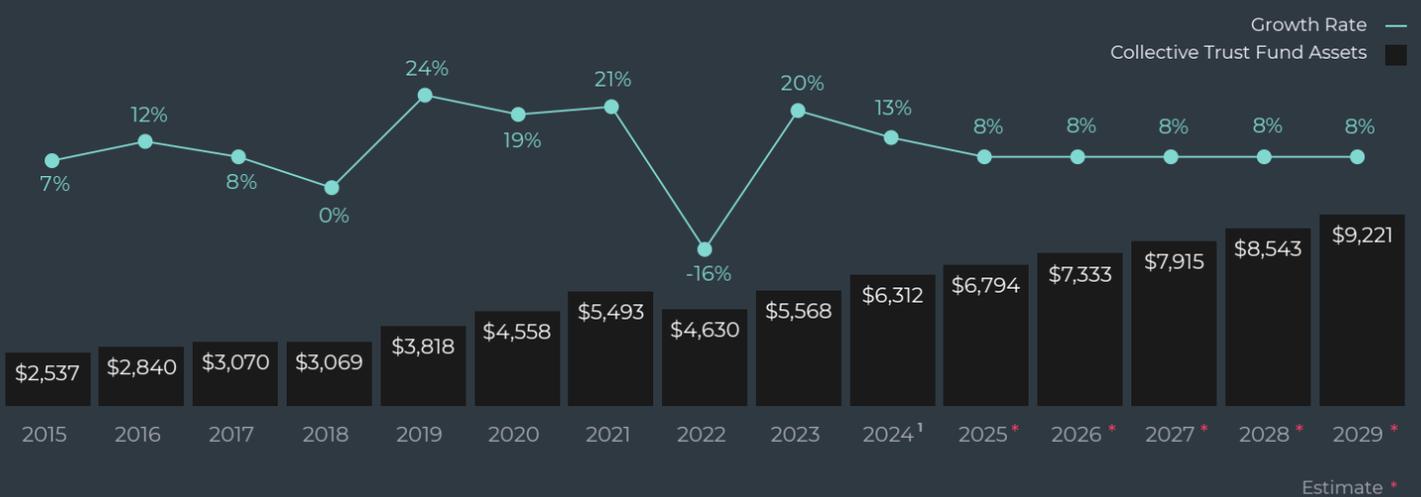
TRILLION IN CIT ASSETS

at the end of 2024, CIT marketplace momentum is growing, and it's not slowing down.¹

TOTAL CIT ASSETS ROSE

13%

IN 2024¹



CITs are now the most prevalent investment vehicle in defined contribution plans, growing as plan sponsors seek efficiency and flexibility without sacrificing robust investor protections.

2. What's Driving CIT Growth?

Target Date Funds (TDFs)

CITs in TDFs are more than just a cost saving tool. They represent a strategic upgrade to DC plan lineups. If you haven't begun discussing CIT TDFs with your plan sponsors, you're behind the curve and may be doing your clients and their participants a disservice. To learn more on this trend, explore [this Insights post](#).

Rapid Growth in CITs Fueled by Small Plan Adoption

CITs, once reserved for large institutional plans, are now accessible to smaller plans as recordkeepers and asset managers expand access and reduce minimums.

"There has been a rapid increase in the accessibility [of CITs] over the past five years," says Levy. "Investment minimums of \$100 million or up have been dramatically reduced or totally eliminated, ... and a large number of [smaller] plans are now offering CITs."

Jason Levy, Sr. Counsel
Great Gray Trust Company
in [PLANADVISER's Rapid Growth in CITs Fueled by Small Plan Adoption](#)



YOY, TARGET-DATE CIT ASSETS INCREASED

18.8%

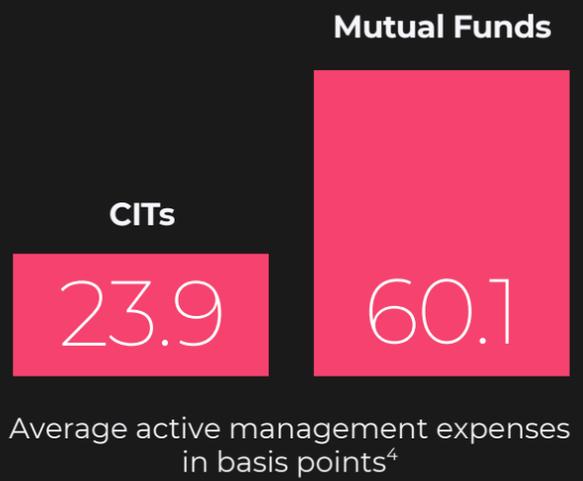
CITs continue to draw net flows from mutual funds, as **CITs now hold 46.8% of the TDF market**²

25%

of target date managers **created a CIT version of their target-date strategy** in 2024³

3. CITs vs. Mutual Funds: The Fiduciary Advantage

CITs offer structural, regulatory, and cost benefits over mutual funds, and are subject to legal oversight regimes specifically designed for retirement plans. Read more about the differences in CITs and mutual funds [here](#).



More than **75%** of CIT providers rank lower costs/fees as the most significant benefit of offering a CIT vs. mutual fund⁵

4. What's Next? Private Markets: The Next Evolution

Regulatory changes are paving the way for prudent private market exposure in DC plans, often via CIT TDF glide paths. Great Gray is at the forefront of democratizing investor access to private access through retirement plans.

BlackRock estimates **private market integration** could generate

75%

MORE MONEY IN A PARTICIPANT'S 401(K) OVER 40 YEARS⁶

36%

of consultants/advisors are **likely to present TDFs with private market investments to clients** in the next 12 months.⁷

Ready to Review Your Plan Lineups?

CIT providers report the majority of plan sponsors (**72%**) are only somewhat knowledgeable about CITs, indicating an opportunity for further education.⁸ As one of the main barriers to CIT adoption is a lack of education, we offer CIT education as an extension of your team.

If you haven't yet considered CITs, connect with a Great Gray qualified plan specialist for a **complimentary plan lineup review**.

[REQUEST YOUR COMPLIMENTARY PLAN LINEUP REVIEW](#)

Key Comparisons between CITs and Mutual Funds: CITs are tax-qualified investments primarily restricted to the retirement market so investors tend to have a longer-term horizon and the trustee can make investment decisions without tax considerations. Mutual funds are not subject to these investor limits or investment horizons, and must distribute substantially all of their taxable net gains and income to investors. CIT expense structures can be customized to investor channels. Mutual funds generally have less fee flexibility. CITs tend to have lower administrative, marketing and distribution costs than mutual funds due to the differences in how they can be sold and to whom. CITs are maintained by a bank as trustee and are subject to federal or state banking regulation and ERISA fiduciary standards. Mutual funds are managed by registered investment advisers and are subject to extensive SEC regulation and public disclosure and reporting requirements. Both CITs and mutual funds are generally priced and traded daily, subject to annual financial audits, and benefit from their pooled structure that aggregates investor funds and can provide greater diversification than individual accounts.

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Participation in Collective Investment Trusts (CITs) is limited primarily to qualified retirement plans and certain state or local government plans and is not available to IRAs, non-governmental health and welfare plans and, in certain cases, Keogh (H.R. 10) plans. CITs may be suitable investments for plan fiduciaries seeking to construct a well-diversified retirement savings program. Investors should consider the investment objectives, risks, charges, and expenses of any pooled investment fund carefully before investing. The Additional Fund Information and Principal Risk Definitions (PRD) contains this and other information about a CIT and is available at www.greatgray.com/principalriskdefinitions or ask for a free copy by contacting Great Gray Trust Company, LLC at (866) 427-6885.

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1. [Cerulli 2025 US Defined Contribution Distribution Report, Exhibit 5.01](#)
2. [Cerulli 2025 US Defined Contribution Distribution Report, Exhibit 4.01, 4.04](#)
3. [Cerulli 2025 US Defined Contribution Distribution Report, Exhibit 4.17 \(page 99\)](#)
4. [Morningstar 2025 Retirement Plan Landscape Report](#)
5. [Cerulli 2025 US Defined Contribution Distribution Report, Exhibit 5.03 \(page 117\)](#)
6. [The Power of Private Markets Study, June 2025](#)
7. [Cerulli 2025 US Defined Contribution Distribution Report, Exhibit 6.20](#)
8. [Cerulli 2025 US Defined Contribution Distribution Report, Exhibit 5.04](#)