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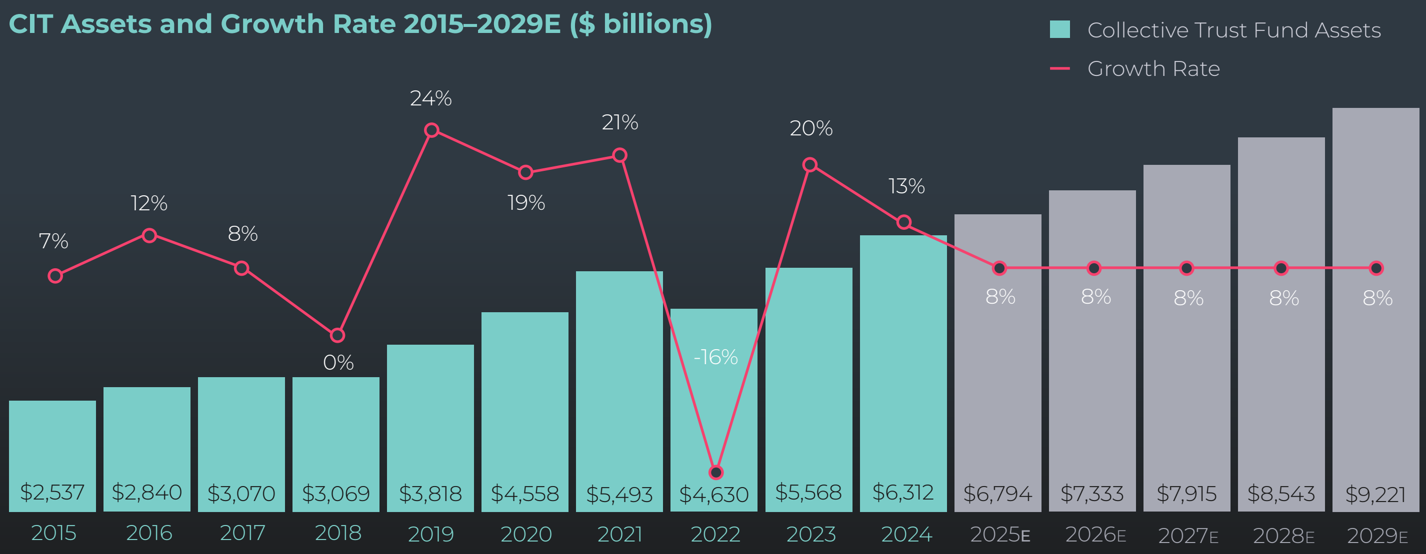
It's Time to Retire the False Notion that CITs Lack Transparency

Executive Summary

The rapid growth of Collective Investment Trusts (CITs) over the past decade has fundamentally transformed the landscape of retirement plan investing, steadily positioning CITs to drive continued innovation in the retirement investment landscape. Today, CITs hold over $6.3 trillion in assets across all retirement plans as of year-end 2024,[1] as DC plans reached $14.2 trillion in total assets as of year-end 2025.[2] CITs are now the most prevalent investment vehicle in defined contribution plans, holding approximately 4% more assets than mutual funds,[3] with 77% of DC plans using them.[4] This shift is reflected in the numbers: CITs have nearly doubled their DC market share from 23% to 42% of assets, with total DC CIT assets reaching $3.8 trillion — nearly four times their level a decade ago — while mutual fund market share declined from 48% to 38%.[3] CIT expansion is most evident in target-date funds, where CITs overtook mutual funds in mid-2024 and now represent 54% of total target-date assets — up from 52% the prior year — as total target-date assets reached $4.8 trillion in 2025, with all 21 new target-date series launched that year structured as CITs.[2]

CITs' appeal lies in lower fees, rigorous institutional oversight under strict and overlapping legal regimes, and significant investor protections — positioning them as a cost-effective alternative to mutual funds and the investment vehicle of choice for innovative retirement investment products.[1] Industry analysts note that CITs' lower costs, coupled with plan sponsors' and other employer plan fiduciaries' continued focus on cost-effective solutions that meet rigorous fiduciary standards, position them for ongoing growth in the retirement ecosystem, with assets projected to reach $9.2 trillion by 2029.[1]

CIT Assets and Growth Rate 2015–2029E ($ billions)



Source: The Cerulli Report | U.S. Defined Contribution Distribution 2025.

Also contributing to this growth are declining or eliminated investment minimums, which have brought CITs to a broader market. However, some in the retirement ecosystem may still be unfamiliar with these vehicles, resulting in antiquated misperceptions often around transparency.[5] Misperceptions of a rapidly declining segment of the retirement marketplace hinder their recognition of the enhanced disclosure standards that have governed these vehicles since 2012.[6, 13] CITs operate under robust transparency frameworks specifically designed for institutional retirement investors, including DOL Regulation 404a-5, which establishes vehicle-agnostic disclosure requirements that apply equally to CITs, mutual funds, and all other retirement plan investment vehicles. When a CIT holds ERISA plan assets, the entire CIT becomes subject to ERISA's fiduciary and prohibited transaction provisions, creating the highest standard of investor protection for retirement plan participants.[7] Importantly, ERISA's look-through rules mean that as long as one investor in a CIT is an ERISA-covered plan, all assets in that CIT are managed to the ERISA standard — effectively extending these protections to non-ERISA plans invested alongside ERISA plans in the same vehicle. Technological advancements have further enhanced how easily plan fiduciaries and participants can access and compare CIT information, closing the gap between the transparency frameworks that have always existed and the market's awareness of them. These frameworks are explored in detail in Sections 3 and 5.

This paper explores the transparency frameworks under which CITs operate. It underscores how transparency serves plan fiduciaries in meeting their responsibilities and supports participant decision-making. By highlighting the regulatory standards, technological advancements, industry best practices, and market adoption trends, this paper aims to close the recognition gap and position CITs accurately as the transparent, well-governed, and increasingly accessible investment options they have long been — and to ensure all stakeholders in the retirement planning process have the understanding they need to act on that reality.

Introduction and Context

CITs are strictly regulated, tax-exempt, pooled investment vehicles sponsored and maintained by a trustee that is a bank or trust company. CITs combine assets from eligible investors into a single investment portfolio to pursue a set of stated investment objectives and strategies. The trustee oversees the investments made within each fund and holds primary fiduciary responsibilities. Subject to its ultimate oversight, a trustee may engage a third-party investment manager to invest the assets according to a particular agreed-upon strategy. CITs are used as retirement plan options by plan advisors, responsible plan fiduciaries, and other decisionmakers overseeing tax-qualified, institutional retirement plans like 401(k)s.

Unlike mutual funds, which are registered with the Securities and Exchange Commission, CITs are regulated by overlapping authority including state or federal banking authorities, common law fiduciary obligations, state antifraud rules, and IRS regulations — and when a CIT holds ERISA plan assets, it is also subject to ERISA's fiduciary and prohibited transaction provisions. CITs offer cost-effective retirement plan investment options with institutional oversight, making them an attractive choice for retirement plan sponsors and other employer plan fiduciaries for inclusion in defined benefit and participant-directed defined contribution plans.

Historical Context and Market Evolution of CITs in the U.S.

Originally created in 1927, CITs are three years younger than mutual funds but have historically been less known to individual investors due to their exclusively institutional focus and eligibility restrictions to qualified retirement plans. The timeline below traces the key regulatory, legislative, and market milestones that have shaped CITs into the transparent, well-governed investment vehicles they are today.

CIT Timeline

History of Collective Investment Trusts (CITs)

1927 — Chartered banks and trusts commingle assets to create the first CIT

1936 — CIT use expanded in Defined Benefit plans when Congress amended the Internal Revenue Code to provide tax-exempt status to certain bank-maintained CITs

1940 — Congress included a specific provision in the Investment Company Act of 1940 to exclude CITs from being deemed investment companies

1955 — CIT use expanded further with the Federal Reserve authorization for banks to combine funds from pensions, profit sharing and stock bonus plans, and the IRS determination that such CITs could be tax-exempt

1974 — ERISA becomes law

1978 — Revenue Act passes, creating the 401(k) plan structure

1981 — Implementation of first 401(k) plans; CIT exposure mainly in Stable Value Funds

1991 — DOL adopted Prohibited Transaction Class Exemption 91-38, which permits bank-maintained CITs to accept investments from certain otherwise-prohibited parties — including plans for which the bank serves as trustee or fiduciary — under specified conditions designed to protect plan participants

1997 — OCC substantially revised and updated the rules governing commingled funds, including CITs

2000 — National Securities Clearing Corporation (NSCC) adds CITs to mutual fund trading platform

2006 — Pension Protection Act triggers new DOL rules setting Qualified Default Investment Alternatives as default investments; growth of TDFs

2010 — DOL 408(b)(2) fee disclosure rule finalized, increasing fiduciary focus on costs

2019 — Great Gray's predecessor (and its current CEO) is the first to partner with NASDAQ to add ticker symbols to CITs

2022 — Great Gray launched first automated processing technology in retirement, BoardingPass®

2022 — Tax laws approve use of CITs by 403(b) plans; however, not yet permitted under securities laws

2024 — CITs surpass mutual funds as the most prevalent vehicle for target-date funds

2024 — ERISA 50th anniversary

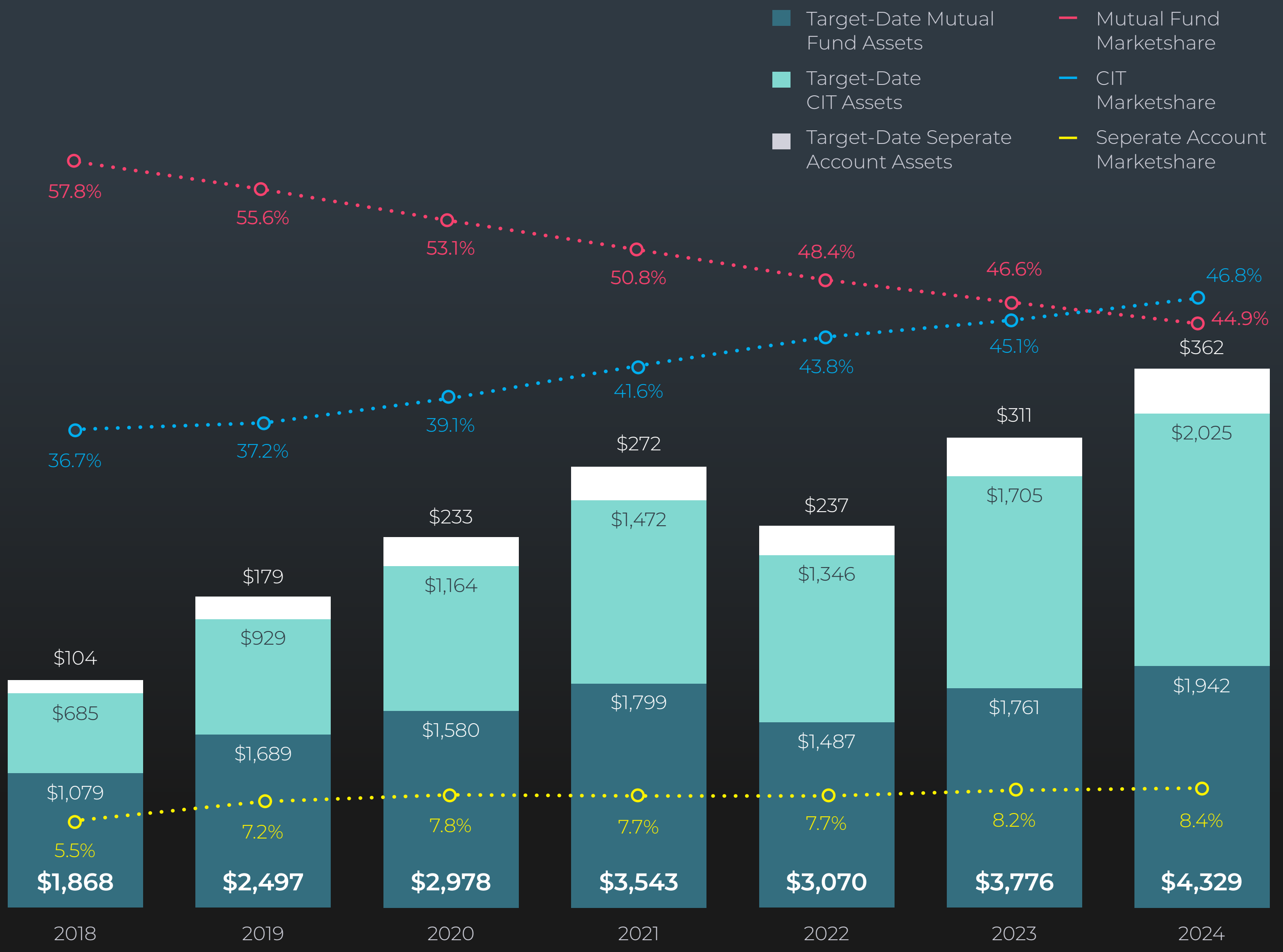
2026 — CITs become the most prevalent investment vehicle in all DC plans, holding approximately 4% more assets than mutual funds

2026 — Bipartisan Momentum to Allow CITs in 403(b) Plans

Comparison to Mutual Funds

CITs and mutual funds are both pooled investment vehicles with professional management and specific investment objectives, but they are designed for fundamentally different markets. Mutual funds are registered with the SEC and subject to federal securities laws, with no restriction on investor types — they can be sold directly to the public and institutions through brokers and other distribution channels. CITs, by contrast, are specifically exempted from federal securities laws and instead regulated under the banking law governing their trustee, as well as general common law fiduciary duties.[7] Because CITs serve exclusively as investment vehicles for retirement assets, virtually all CITs are also subject to ERISA's fiduciary responsibility and prohibited transaction rules. The only exception would be CITs that limit their investors to governmental plans and church plans not subject to ERISA, though this paper focuses on CITs that hold ERISA plan assets, which represent the substantial majority of the market.[7]

Total Target-Date Assets by Vehicle ($ billions)



Source: The Cerulli Report | U.S. Defined Contribution Distribution 2025.

There are four key differences between them:

1. Costs

CITs often have meaningfully lower fees and expenses than mutual funds. The average actively managed mutual fund is more than 3 times more expensive than the average actively managed CIT, and the average passively managed mutual fund is 4.4 times more expensive than the average passively managed CIT.[3] Compounded over time, these cost savings can result in substantially improved retirement outcomes. The Department of Labor has recognized that over a 35-year career, a 1% difference in fees and expenses reduces an individual's retirement savings by 28%.[8]

These cost savings are primarily driven by the difference in markets that CITs and mutual funds serve. Because mutual funds are available directly to retail investors, they are subject to stringent and costly SEC and FINRA registration and marketing rules specifically geared to protecting less sophisticated individual investors. CITs, available only to institutional retirement plan investors, are subject to a strong regulatory regime designed for that market — but are not required to meet the more onerous obligations that apply to funds sold directly to retail investors.[7]

2. Regulatory Oversight

CITs are subject to separate, overlapping regulatory regimes — state and/or federal banking laws, the Internal Revenue Code, the Department of Labor, and common law trust and fiduciary duty. Critically, because nearly all CITs accept investments from ERISA-covered plans, CITs are also subject to ERISA, resulting in enhanced investor protections. ERISA's fiduciary duties have been described by appellate courts as "the highest known to the law."[9] CIT trustees must comply with ERISA's strict prohibited transaction rules and make fulsome disclosures concerning fees and other amounts charged to benefit plan investors.[7] A CIT trustee may engage a sub-advisor — typically an SEC-registered investment adviser — to manage the assets within the CIT, though the trustee retains investment authority and fiduciary oversight. Additionally, while CITs are exempt from registration under the Investment Company Act of 1940 and the Securities Act of 1933, they remain securities for purposes of the anti-fraud provisions of the securities laws.

Mutual funds, by contrast, operate under an entirely different regulatory structure. They are regulated directly by the SEC under federal securities laws, with mutual fund investment managers holding responsibility for making investment decisions in line with the fund's prospectus. Unlike CIT trustees, mutual fund managers are not subject to ERISA's fiduciary obligations with respect to retirement plan assets invested in the fund.[10]

3. Eligibility for Investors

Mutual funds are available for purchase by the general public and generally sold by brokers to retail investors. To address potentially volatile cash flows, mutual funds may be subject to redemption fees,[7] whereas CITs generally do not impose such fees because retirement plan investors are generally long-term investors and the CIT's regulatory structure and its trustee's fiduciary duty to act in the best interests of all investors gives the trustee greater flexibility and more tools for managing liquidity.

CITs are restricted by both tax law and securities registration exemption requirements to qualified retirement plans. Eligible plans include tax-qualified corporate plans such as 401(k)s, governmental 457(b) plans used by public school teachers and other state and local government employees, the Federal Thrift Savings Plan for federal employees and Members of Congress, and other governmental plans — but not IRAs or non-governmental health and welfare plans. This regulatory structure allows CITs to enjoy tax-exempt status. To maintain their tax-free status, trustees verify plan eligibility through participation or adoption agreements, which also document the trustee's fiduciary obligations and confirm plan eligibility — a slightly more involved process than purchasing mutual fund shares, but one that is needed to ensure compliance with the tax-eligibility requirements of the vehicle.[7]

4. Transparency and Reporting Standards

Both CITs and mutual funds in participant-directed plans are subject to the same vehicle-agnostic DOL disclosure requirements, ensuring participants receive identical fee, performance, and descriptive information regardless of investment vehicle type. The transparency framework governing CITs is explored in detail in Section 3.

A retirement plan participant generally has access to fact sheets describing a CIT's key investment information on the plan recordkeeper's website in the same way they would access information about a mutual fund. Innovations such as CIT symbols registered on the Nasdaq Fund Network[11] and expanded Morningstar coverage[12] have further enhanced the transparency for CIT information and dissemination of that content to the investment community. The key distinction is that CITs offer purpose-built retirement solutions with similar transparency features as and generally at lower costs than, mutual funds.[7]

Transparency: What It Means for CITs

Transparency for CITs means providing clear, accessible information on investment objectives, fees and performance to all stakeholders. The framework governing that disclosure is vehicle-agnostic — designed to ensure plan fiduciaries and participants receive the essential details needed to make informed decisions, regardless of whether the investment is a CIT, mutual fund, or any other vehicle.

The DOL's transparency standards are vehicle-agnostic, applying the same requirements to CITs, mutual funds, and all other investment options. The regulations, published in October 2010 with compliance effective for plan years beginning on or after November 1, 2011, establish uniform disclosure requirements across all investment vehicles.[13] According to the preamble of the final regulation, the DOL designed these rules to "establish uniform, basic disclosures to participants and beneficiaries in participant-directed plans to allow them to make informed decisions about how to invest their plan account."[13]

The standards focus on three key elements:

- Investment performance compared to appropriate benchmarks
- Annual expense ratios
- Descriptions of investment objectives and strategies

These requirements, under DOL Regulation 404a-5, mandate that plan administrators of participant-directed plans provide participants and beneficiaries with detailed disclosures about fees, expenses, and available investment options.[13]

Stakeholder Roles in Transparency

The regulatory framework surrounding CITs serves three distinct stakeholder groups, each with specific information requirements that reflect their roles, responsibilities, and interests in the retirement ecosystem.

Employer Plan Fiduciaries:

Empowering Fiduciaries to Meet Their Duty with Confidence

Plan fiduciaries operating under ERISA's prudence standard are required to make investment decisions based on thorough due diligence — which means having accurate, comparable data on every investment option in the plan lineup. For CITs, that information is readily available through data providers like Morningstar, which applies the same analytical frameworks to CITs as to mutual funds,[14] as well as directly from CIT providers through fact sheets, performance reports, and governance documentation on provider websites, giving fiduciaries the information they need to satisfy their duties under ERISA.

Plan Participants:

Giving Participants the Same Quality of Information — Regardless of Vehicle

As detailed in Section 3, DOL Regulation 404a-5 applies equally to CITs and mutual funds, ensuring participants receive the same fee, performance, and descriptive information regardless of investment vehicle. In practice this means participants access fact sheets, real-time pricing, performance data, and quarterly statements through the same recordkeeper interfaces for both vehicle types. This framework extends beyond ERISA-covered plans: because CIT trustees typically operate the same vehicles for both ERISA and non-ERISA investors, participants in governmental or other non-ERISA plans investing alongside ERISA plans in a CIT receive the same quality of information and oversight — with the ERISA standard applying to the CIT's management as a whole.

CIT Providers:

Delivering Institutional-Grade Disclosure to Support Prudent Decision-Making

CIT providers recognize their role in comprehensive information delivery that empowers plan fiduciaries to make prudent decisions to fulfill their ERISA obligations and plan participants to make informed investment decisions amongst options in a plan lineup. Through standardized disclosures, fund fact sheets, and robust governance frameworks, CIT providers deliver the transparency and analytical tools necessary for assessing fees and investment strategies. For example, Great Gray has over 900 searchable CIT products on the Nasdaq Fund Network, "which… delivers transparency to investable products to help ensure professionals and non-professionals can make more informed decisions with their assets."[11]

Current Transparency Landscape

The current transparency landscape for CITs represents a robust regulatory framework that has governed these investment vehicles since their modern structure was established, fundamentally shaping how they operate within the retirement ecosystem. This landscape encompasses multiple regulatory layers, from state or federal banking oversight to ERISA requirements when ERISA plan assets are held, creating a robust system of disclosure standards that ensures all relevant parties receive actionable information for their specific roles.

CITs operate with a high degree of transparency and comply fully with all the guidelines set forth by this regulatory framework.

ERISA Requirements and Regulatory Oversight

CITs operate under multiple overlapping layers of regulatory oversight. Depending on the charter of the trustee, CITs are governed by state banking authorities or the federal Office of the Comptroller of the Currency, as well as common law trust and fiduciary duties. This framework is not less rigorous than SEC oversight of mutual funds — it is specifically tailored to the institutional retirement plan market those funds serve. The key difference lies in the target audience: mutual funds provide extensive public disclosures because they can be purchased directly by any retail investor without sophistication prerequisites, while CITs provide institutional-focused disclosures because they can only be sold to qualified retirement plans who have fiduciary obligations to evaluate and choose these investments as plan options.

ERISA subjects CITs to fiduciary standards when ERISA plan assets are invested. Bank trustees serve as ERISA fiduciaries and must comply with the highest fiduciary standards in managing CITs — standards described by appellate courts as "the highest known to the law."[9] CIT trustees must act solely in the best interests of plan participants and beneficiaries, avoiding conflicts of interest. All transactions must comply with ERISA's prohibited transaction rules. These requirements provide robust participant protections tailored specifically for retirement investors and enforced through both regulatory action and a private right of action in federal court under ERISA Section 502(a) — which grants plan participants, beneficiaries, and fiduciaries the right to sue for breach of fiduciary duty or prohibited transactions[15] — an enforcement mechanism that mutual fund investors do not have.

These protections extend beyond ERISA-covered plans through the operation of ERISA's look-through rules. As long as one investor in a CIT is an ERISA-covered plan, all assets in the CIT are managed to the full ERISA fiduciary standard. As a practical matter, CIT trustees typically use the same vehicles for both ERISA and non-ERISA investors — such as governmental 403(b) or 457(b) plans — avoiding the administrative complexity of separate vehicles and effectively conferring ERISA-level protections on non-ERISA plan participants invested alongside them.

Reporting, Disclosure, and Information Access

Under DOL Regulation 404a-5, both CITs and mutual funds must provide identical fee and performance reporting to plan participants.[13] Performance reporting includes standardized periods compared to appropriate benchmarks — the same requirements that apply to all investment options in the plan. Asset managers generally provide fund fact sheets containing information on investment objectives, strategies, risks, and performance in formats consistent with industry standards and DOL requirements.[16] A retirement plan participant has access to these fact sheets on the plan recordkeeper's website in the same way they would access information about a mutual fund, with daily pricing, monthly performance data, and quarterly holdings reports available through modern digital platforms.[17] Annual audited financial statements must be provided, with pro rata shares reported on Schedule D of the plan's Form 5500.[18]

Delivery of CIT information has improved significantly since the 2010s, though the underlying transparency frameworks have long been robust. Beginning in the 2010s, reduced or eliminated investment minimums and expanded recordkeeper availability lowered barriers to CIT access across the market. Technological advancements further enhanced information delivery — including the addition of CIT symbols on the Nasdaq Fund Network,[11] CUSIPs and trading via the NSCC platform,[17] daily valuation through recordkeeper platforms,[16] and expanded third-party coverage from providers like Morningstar,[12] whose database now covers more than 7,800 CITs — making it significantly easier for plan fiduciaries and participants to access and compare CIT information in formats familiar from mutual fund investing. These improvements in delivery have enhanced accessibility without changing the fundamental transparency that CITs have long provided.

Unpacking Common Transparency Myths

Despite the robust regulatory framework and widespread market validation of CITs over the past 15 years, a recognition gap persists among some in the retirement marketplace regarding CIT transparency. These false claims include the belief that CITs are inherently opaque by design, that plan participants lack meaningful access to CIT information, that standardized performance and fee reporting does not exist for these investment vehicles, and that CITs cannot be analyzed using the same rigorous methodologies applied to mutual funds.[5] The following examination addresses each false claim in detail:

MYTH:
CITs Are Opaque by Design

REALITY: This claim is contradicted by the regulations under which CITs operate. As detailed in Sections 3 and 5, DOL Regulation 404a-5 — published in October 2010 with compliance effective after November 1, 2011 — mandates vehicle-agnostic disclosure requirements that apply equally to CITs, mutual funds, and all other retirement plan investment vehicles.[13] CITs have not been "opaque by design," but rather have always operated under robust disclosure requirements tailored for institutional retirement plan investors. Morningstar began listing CITs as far back as 2007[14] and its database now includes data on more than 7,800 CITs.[14] In 2025, Morningstar announced expanded coverage, noting that "this expansion will provide more comprehensive insights and help you make better-informed investment decisions."[12] This market infrastructure enhancement reflects growing recognition of the disclosure frameworks that have long governed CITs. This regulatory framework has ensured consistent, comparable disclosure for plan fiduciaries and participants since 2011.

MYTH:
Plan Participants Have No Visibility into CITs

REALITY: DOL Regulation 404a-5 was specifically designed to ensure that participants can access the information needed to make informed investment decisions, regardless of vehicle type.[13] As detailed in Section 5, these requirements apply equally to CITs and mutual funds. Participants can access the same investment objective, performance data, and fee disclosures through the same recordkeeper interfaces for both vehicle types.[17] Real-time pricing and quarterly updates through fact sheets help give participants current information for decision-making.[16] Improvements in participant visibility over the past decade reflect enhanced digital delivery infrastructure — not changes to the underlying transparency frameworks, which have long existed.

MYTH:
There's No Standardized Performance or Fee Reporting

REALITY: As detailed in Section 5, CITs follow the same DOL Regulation 404a-5 reporting requirements as mutual funds — mandated by regulation since 2011 and vehicle-agnostic by design.[13] Beyond DOL Regulation 404a-5 disclosure requirements, CIT providers offer daily prices, monthly performance data, and quarterly holdings as industry best practice — giving plan fiduciaries and participants ready access to the information they need. Third-party providers like Morningstar now cover more than 7,800 CITs and apply the same analytical methodologies used for mutual funds,[14] enabling fiduciaries and consultants to evaluate CITs with the same rigor. The claim that standardized reporting does not exist contradicts the regulatory and business operational reality under which CITs have been operating.

MYTH:
Very Few Plans Are Eligible to Access CITs

REALITY: Many types of retirement plans can invest in CITs, and this myth ignores the true scale of market adoption. With 77% of defined contribution plans now using CITs4 and over $6.3 trillion in assets as of year-end 2024, the market has clearly validated both CIT accessibility and transparency.1 Over the past decade, CITs have nearly doubled their DC market share from 23% to 42% of assets, with total CIT assets in DC plans reaching $3.8 trillion — nearly four times their level a decade ago — while mutual fund market share declined from 48% to 38%.[3] This growth is no longer confined to the largest plans: among plans with $100 million to $500 million in assets, CITs are approaching one-fourth of all assets, and even among plans with less than $50 million in assets, CITs now account for 9.1% of assets, up from roughly 6-7% for the previous decade.[3] Plan fiduciaries operating under ERISA's stringent fiduciary standards conduct rigorous due diligence before selecting investment options, and the widespread adoption of CITs demonstrates that these vehicles meet the transparency standards fiduciaries demand. Accessibility has expanded significantly, and we believe this has been driven more by reduced operational barriers and investment minimums than changes to the underlying transparency and governance frameworks.

MYTH:
You Cannot Analyze CITs the Way You Analyze Mutual Funds

REALITY: The analytical tools available for CITs have expanded dramatically alongside the market's growth. As noted above, Morningstar tracks over 7,800 CITs on par with mutual funds, providing net returns, ratings, and peer group comparisons using identical methodologies.[14] Consultants maintain robust databases enabling enhanced CIT monitoring, including strategy objectives, manager biographies, and performance disclosure. The ability to analyze CITs has always existed for institutional investors — what has expanded is the breadth of third-party platforms aggregating and surfacing this data through interfaces familiar from mutual fund investing, closing the recognition gap between the analytical capabilities that were always possible and broader market awareness of them.

Conclusion

The evidence is clear and consistent: CITs are transparent, well-governed investment vehicles that provide relevant disclosure to the various stakeholders through regulatory frameworks specifically designed for institutional retirement plan investors. Claims of CIT opacity are false and contradicted by regulatory requirements, market adoption, and technological advancement.

CITs have always operated under rigorous oversight — and when a CIT holds ERISA plan assets, ERISA fiduciary standards, described by appellate courts as "the highest known to the law,"[19] create strong participant protections through the trustee oversight structure.

The market has validated CIT transparency through unprecedented adoption, with CITs now holding $6.3 trillion in assets as of year-end 2024[1] and 77% of DC plans using them.[4] Sophisticated institutional investors have recognized that CITs provide transparency— a validation reflected in CITs becoming the most prevalent investment vehicle in DC plans, now holding approximately 4% more assets than mutual funds.[3] Plan fiduciaries operating under ERISA's standards face significant litigation risk and would not adopt investment vehicles that lack sufficient disclosure to support prudent oversight. The widespread adoption of CITs reflects fiduciaries' confidence in the transparency frameworks governing these vehicles.

While some in the retirement marketplace may hold outdated views, these demonstrably incorrect claims ignore regulatory requirements that apply to retirement plan investment vehicles, market validation through widespread adoption by fiduciaries operating under ERISA's stringent fiduciary standards, and technological advancements that have improved accessibility and delivery mechanisms. The retirement industry benefits when all stakeholders understand the regulatory landscape governing CIT transparency — a landscape that provides disclosure tailored specifically for institutional retirement plan investors.

CITs represent purpose-built retirement investment vehicles whose combination of lower costs, institutional oversight, ERISA fiduciary standards, and enhanced disclosure requirements provides a robust framework for retirement savings. The time has come to close the recognition gap and acknowledge CITs for what they have long been: transparent, well-governed investment vehicles operating under rigorous regulatory oversight specifically designed to protect retirement plan participants.

Understanding the transparency frameworks governing CITs is the first step — putting that knowledge to work for your plan is the next. Connect with Great Gray to explore how our CIT solutions are designed to meet fiduciary standards and support confident investment decisions. Visit greatgray.com or reach out to your Great Gray Retirement Plan Consultant here.

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DISCLOSURES

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.

Great Gray Trust Company, LLC Collective Investment Funds ("Great Gray Funds") are bank collective investment funds; they are not mutual funds. Great Gray Trust Company, LLC serves as the Trustee of the Great Gray Funds and maintains ultimate fiduciary authority over the management of, and investments made in, the Great Gray Funds. Great Gray Funds and their units are exempt from registration under the Investment Company Act of 1940 and the Securities Act of 1933, respectively.

Investments in the Great Gray Funds are not bank deposits or obligations of and are not insured or guaranteed by Great Gray Trust Company, LLC, any bank, the FDIC, the Federal Reserve, or any other governmental agency. The Great Gray Funds are commingled investment vehicles, and as such, the values of the underlying investments will rise and fall according to market activity; it is possible to lose money by investing in the Great Gray Funds.

Participation in Collective Investment Trust Funds 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. Collective Investment Trust Funds 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 Collective Investment Trust Fund and is available at www.greatgray.com/cit-fund-info/principal-risk-definitions/ or ask for a free copy by contacting Great Gray Trust Company, LLC at (866) 427-6885.

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