

STATE OF DELAWARE 403(B) PLAN

FINANCIAL STATEMENT AUDIT
FOR YEAR ENDED DECEMBER 31, 2022

STATE OF DELAWARE 403(B) PLAN

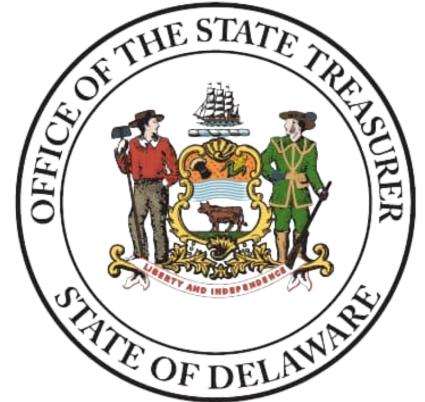
REPORT SUMMARY FOR CALENDAR YEAR ENDED DECEMBER 31, 2022

BACKGROUND

The Office of Auditor of Accounts (AOA) performed a financial statement audit of the State of Delaware 403(b) plan for Calendar Year ended December 31, 2022.

This engagement was conducted in accordance with 29 Del. C. § 2722 (e)(7). This section of Delaware Code specifies that “The (Plans Management) Board shall arrange for an annual financial audit of each of the Plans, which shall be provided annually to the General Assembly. The Board shall enter into a memorandum of understanding with the Auditor of Accounts regarding each such audit...”

29 Del. C. § 2906, charges the Auditor of Accounts with the duty of conducting postaudits of all the financial transactions of all state agencies.



KEY INFORMATION AND FINDINGS

The 403(b) Plan is a voluntary plan available to all employees working in a public school, charter school, DTCC, DSU, and the Dept of Education regardless of pension eligibility. The auditor’s responsibility is to conduct an audit of the State of Delaware 403(b) Plan’s financial statements in accordance with governing standards and to issue an auditor’s report.

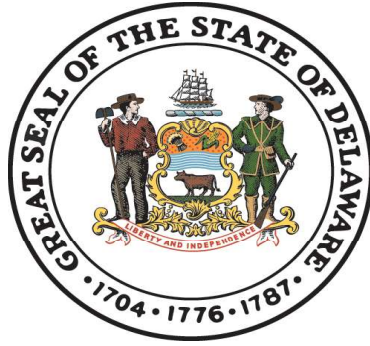
For the year ended December 31, 2022

- There were approximately 6,200 active participants
- Approximately 1,525 individuals received a distribution from the plan
- Participation contributions were \$30.7 million
- Benefits paid to participants were \$34.6 million
- Fiduciary net position restricted for pensions decreased by approximately \$91.4 million
- Administrative expenses were \$728,261

The auditor has disclaimed expressing an opinion on the financial statements due to the auditor’s inability to obtain sufficient audit evidence, with respect to individual participant account balances accumulated from the inception of the Plan, to test the completeness and accuracy of the beginning account balances. A disclaimed opinion is a modified opinion in the Independent Auditor’s Report.

Professional AICPA standards specify “The auditor should disclaim an opinion when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.”

The results of tests disclosed no instances of noncompliance or other matters that are required to be reported under Governmental Auditing Standards.



**STATE OF DELAWARE
403(b) PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

STATE OF DELAWARE
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INDEPENDENT AUDITOR'S REPORT

November 28, 2023

To the Plans Management Board
State of Delaware 403(b) Plan
Dover, Delaware

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of the State of Delaware 403(b) Plan ("the Plan"), which comprise the statements of fiduciary net position as of December 31, 2022 and 2021, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, as listed in the table of contents.

We do not express an opinion on the accompanying financial statements of the State of Delaware 403(b) Plan. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

The Plan does not have access to sufficient accounting records and supporting documents relating to annuity and custodial accounts issued to current and former employees prior to January 1, 2009. These pre-2009 contracts are permissibly excluded by the Department of Labor's Field Assistance Bulletin No. 2010-01. Effective January 2009, the State of Delaware approved 13 vendors for participants of the Plan to select. Prior to this, participants' vendor options were dependent on the school district they worked for and not monitored by the plan administrator. These options included more than 100 vendors for the 19 school districts. Due to the volume of previously approved vendors, the amount of excluded annuity and custodial accounts and the related income and distributions were not determinable, which consequently rendered us unable to obtain sufficient audit evidence with respect to individual participant account balances accumulated from the inception of the Plan to test the completeness and accuracy of beginning account balances. Therefore, the fiduciary net position does not include permissibly excluded pre-2009 contracts held by any vendor. Plan assets held by the 13 approved vendors approved by the State of Delaware that were not permissibly excludible by the Department of Labor's Field Assistance Bulletin No. 2010-01 are included in the financial statements.

To the Plans Management Board
State of Delaware 403(b) Plan

Responsibilities of Management for the Financial Statements

The Plan's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the State of Delaware 403(b) Plan's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are required to be independent of the State of Delaware 403(b) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2023, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.


BARBACANE, THORNTON & COMPANY LLP
Wilmington, Delaware

STATE OF DELAWARE
403(B) PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

This discussion and analysis of the State of Delaware 403(b) Plan's ("the Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2022, 2021, and 2020. Please read this section in conjunction with the Plan's financial statements, which follow this section.

Financial Highlights

- Fiduciary net position restricted for pensions decreased by approximately \$91.4 million during 2022, from \$564.3 million at December 31, 2021 to \$472.9 million at December 31, 2022. This decrease was primarily due to distributions made to participants and losses on investments during 2022 being greater than contributions. Fiduciary net position restricted for pensions increased by approximately \$58.6 million during 2021, from \$505.7 million at December 31, 2020 to \$564.3 million at December 31, 2021. This increase was primarily due to contributions made by participants and gains on investments during 2021 being greater than distributions.
- Participant contributions were \$30.7 million, \$29.1 million, and \$27.3 million for the years ended December 31, 2022, 2021, and 2020, respectively. Changes in contributions are primarily due to fluctuations in the average contribution per participant. There were approximately 6,200, 6,000, and 6,000 active participants as of December 31, 2022, 2021, and 2020, respectively.
- Net transfers into (out of) the Plan were (\$8,457), (\$12,112), and (\$34,177) for the years ended December 31, 2022, 2021, and 2020, respectively. Changes in the amount of transfers into the Plan from year to year vary greatly and are the direct result of changes in the number of individuals performing these transactions and the average transfer amount.
- Net investment income decreased to a \$86.7 million loss in 2022, from a \$71.8 million gain in 2021 and a \$60.8 million gain in 2020. Fluctuations in income are primarily due to changes in the funds offered by the Plan, changes in interest rates for fixed earnings investments, as well as fluctuations in the financial market from year to year.
- Benefits paid to participants were \$34.6 million, \$41.5 million, and \$27.9 million for the years ended December 31, 2022, 2021, and 2020, respectively. Fluctuations in the amount of distributions paid from year to year are primarily due to changes in the number of separated, deceased, or retired participants and beneficiaries receiving eligible distributions per year as well as the size of their account balances. There were approximately 1,525, 1,600, and 1,200 individuals who received a distribution from the Plan during the years ended December 31, 2022, 2021, and 2020, respectively.
- Administrative expenses were \$728,261, \$760,193, and \$939,863 for the years ended December 31, 2022, 2021, and 2020, respectively. Fluctuations in these fees are the result of different arrangements with the service providers and the number of transactions charged directly to participant accounts.

STATE OF DELAWARE
403(B) PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
DECEMBER 31, 2022

Overview of the Financial Statements

This financial report consists of the statements of fiduciary net position and the statements of changes in fiduciary net position. These statements provide information about the financial position and activities of the Plan as a whole. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements. The notes are an integral part of the financial statements and include detailed information not readily evident in the basic financial statements.

The following analysis focuses on fiduciary net position restricted for pensions (Table 1) and changes in fiduciary net position (Table 2):

Table 1
Fiduciary Net Position Restricted for Pensions

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|----------------------|----------------------|----------------------|
| Investments | \$472,936,573 | \$564,253,220 | \$505,684,268 |
| Notes receivable from participants | <u>3,732</u> | <u>6,906</u> | <u>12,438</u> |
| Fiduciary Net Position Restricted for Pensions | <u>\$472,940,305</u> | <u>\$564,260,126</u> | <u>\$505,696,706</u> |

Table 2
Changes in Fiduciary Net Position

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|------------------------|----------------------|----------------------|
| ADDITIONS | | | |
| Participant and rollover contributions | \$ 30,698,093 | \$ 29,082,489 | \$ 27,187,891 |
| Recontribution of CARES Act distributions | - | - | 100,000 |
| Net transfers into (out of) Plan | (8,457) | (12,112) | (34,177) |
| Net investment income (loss) | (86,706,916) | 71,759,178 | 60,769,950 |
| Interest income on notes receivable from participants | 219 | 452 | 863 |
| Other income | - | - | 123,938 |
| DEDUCTIONS | | | |
| Benefits paid to participants | 34,574,499 | 41,506,394 | 27,900,828 |
| Administrative expenses | <u>728,261</u> | <u>760,193</u> | <u>939,863</u> |
| Change in Fiduciary Net Position | <u>\$ (91,319,821)</u> | <u>\$ 58,563,420</u> | <u>\$ 59,307,774</u> |

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
DECEMBER 31, 2022

Financial Contact

The Plan's financial statements are designed to present users with a general overview of the Plan's finances and to demonstrate the trustee's accountability. If you have questions about the report or need additional financial information, contact the Director of Contributions and Plan Management at the Office of the State Treasurer at 820 Silver Lake Boulevard, Dover, Delaware 19904-2464.

**STATE OF DELAWARE
403(b) PLAN
STATEMENTS OF FIDUCIARY NET POSITION
DECEMBER 31, 2022 AND 2021**

| | <u>2022</u> | <u>2021</u> |
|--------------------------------------|-----------------------|-----------------------|
| <u>ASSETS</u> | | |
| Investments, at fair value | \$ 403,691,397 | \$ 495,899,646 |
| Investments, at contract value | <u>69,245,176</u> | <u>68,353,574</u> |
| Total investments | 472,936,573 | 564,253,220 |
| Notes receivable from participants | <u>3,732</u> | <u>6,906</u> |
| TOTAL ASSETS | <u>\$ 472,940,305</u> | <u>\$ 564,260,126</u> |
| <u>NET POSITION</u> | | |
| Net position restricted for pensions | <u>\$ 472,940,305</u> | <u>\$ 564,260,126</u> |

The accompanying notes are an integral part of these financial statements.

**STATE OF DELAWARE
403(b) PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

| | <u>2022</u> | <u>2021</u> |
|--|-----------------------|-----------------------|
| <u>ADDITIONS</u> | | |
| Investment income (loss): | | |
| Net appreciation (depreciation) in fair value of investments | \$ (96,648,897) | \$ 56,174,765 |
| Interest and dividends | 9,941,981 | 15,584,413 |
| Net Investment Income (Loss) | <u>(86,706,916)</u> | <u>71,759,178</u> |
| Interest income on notes receivable from participants | <u>219</u> | <u>452</u> |
| Contributions: | | |
| Participant | 28,713,224 | 26,842,937 |
| Rollovers | 1,984,869 | 2,239,552 |
| Total Contributions | <u>30,698,093</u> | <u>29,082,489</u> |
| TOTAL ADDITIONS | <u>(56,008,604)</u> | <u>100,842,119</u> |
| <u>DEDUCTIONS</u> | | |
| Benefits paid to participants | 34,574,499 | 41,506,394 |
| Administrative expenses | 728,261 | 760,193 |
| TOTAL DEDUCTIONS | <u>35,302,760</u> | <u>42,266,587</u> |
| Net transfers into (out of) plan | <u>(8,457)</u> | <u>(12,112)</u> |
| NET INCREASE (DECREASE) IN NET POSITION | (91,319,821) | 58,563,420 |
| NET POSITION RESTRICTED FOR PENSIONS, BEGINNING OF YEAR | <u>564,260,126</u> | <u>505,696,706</u> |
| NET POSITION RESTRICTED FOR PENSIONS, END OF YEAR | <u>\$ 472,940,305</u> | <u>\$ 564,260,126</u> |

The accompanying notes are an integral part of these financial statements.

STATE OF DELAWARE
403(b) PLAN

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF THE PLAN

The following description of the State of Delaware 403(b) Plan ("the Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions. Participants may also find more information at <http://treasurer.delaware.gov/deferred-compensation-plans/>.

General

Delaware Code Title 29, Part V, Chapter 60A ("the Code") sets forth the requirements for deferred compensation programs for public officers and eligible employees of the State of Delaware ("the State"). The purpose of Chapter 60A is to create a vehicle through which all eligible employees of the State may, on a voluntary basis, provide for additional retirement income security. The Code gives authority to the Plans Management Board, which is responsible for oversight of the Plan. The Plans Management Board has charged the Office of the State Treasurer ("the OST") with daily administration. The State of Delaware General Assembly may amend the Code at any time. The Plans Management Board may modify the Plan pursuant to authority provided under the Code.

A written plan document was made effective January 1, 2009, by the State Treasurer on behalf of the State of Delaware. The Plan was amended and restated effective January 1, 2017. The form of the Plan as written and administered is designed to be in compliance with Section 403(b) of the Internal Revenue Code ("IRC").

The Plan is a defined contribution plan covering each individual, whether hired, appointed, or elected, who is a common law employee of the State of Delaware performing services for the State of Delaware for either 1) a school or 2) the State of Delaware Department of Education.

Contributions

Each year, participants may contribute up to 100% of pretax annual compensation, as defined by the plan document, up to the maximum limits of the IRC. Participants may designate all or a portion of their deferral contributions as after-tax contributions into a Roth account. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). The State does not make any contributions to the Plan.

Participants direct the investment of all contributions into various investment options offered by the Plan. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of plan earnings and charged with an allocation of administrative expenses. Allocations are based on

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF THE PLAN (cont'd)

participant earnings, specific transactions, or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Employees electing to participate in the Plan may contribute to any of the following options: a group annuity contract offering administered by Voya Retirement Insurance and Annuity Company, a pooled separate account, various publicly traded mutual funds, and a self-directed brokerage account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon.

Notes Receivable from Participants

Prior to 2009, participants could borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The notes were secured by the balance in the participant's account. Interest rates were commensurate with local prevailing rates. Principal and interest are paid directly to the provider by the participant. Terms ranged from one to five years or greater for the purchase of a primary residence. Effective January 1, 2009, loans were no longer permitted.

The Plan was amended January 1, 2015 and January 1, 2017, to grandfather certain loans that were identified by the State that were processed by certain vendors during the period January 1, 2009 through December 31, 2014, and January 1, 2015 through December 31, 2016.

Payment of Benefits

Upon termination of service due to death, disability, retirement, or other reasons, a participant will receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, periodic payments, or an annuity. In addition, the Plan allows for hardship distributions if certain criteria are met.

A participant may elect, at such time as he or she is otherwise entitled to a distribution (other than on account of an unforeseeable emergency), to transfer part or all of the account to purchase service credit under a defined benefit plan maintained by the State that permits the acceptance of such plan-to-plan transfers.

As required under Section 401(a)(9) of the IRC, a participant must begin receiving minimum distributions from the Plan by April 1 of the calendar year following the later of (i) the calendar

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF THE PLAN (cont'd)

year following the year in which the participant reaches 70½ or 72 if the participant is not 70½ prior to January 1, 2020, or (ii) the calendar year in which the participant retires.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation and Basis of Accounting

The Governmental Accounting Standards Board ("GASB") issues regulatory guidance defining generally accepted accounting principles for state and local governments in the United States. The accompanying financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") as prescribed by GASB. Any reference to U.S. GAAP in the financial statements and the related disclosures refers to standards established by GASB.

The financial statements of the Plan are prepared on the accrual basis of accounting using the economic resources measurement focus.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date.

Fixed account investments are valued at the contract value of the owner's account. The contract owner's account equals the sum of contributions, plus guaranteed interest credited, minus withdrawals and fees. Stability of principal is the primary investment objective. The contract guarantees minimum rates of interest and may credit interest that exceeds the guaranteed minimum rates.

Variable earnings investments in publicly traded mutual funds are presented at fair value based on published daily net asset values.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Life insurance policies are valued at reported guaranteed values. Participants pay fixed premiums for the life of the policy based on the policy's coverage. New York Life applies part of the premium to the policy and invests the other portion (net of administrative costs), which builds up cash value. The value of the whole life insurance policy is the guaranteed value that grows according to the formula determined by New York Life within the contract.

Purchases and sales of securities are recorded on a trade-date basis.

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the gains and losses on investments bought and sold as well as held during the year.

Continued Notes Receivable from Participants

Effective January 1, 2009, the Plan no longer allows loans to participants. Effective January 1, 2015, the Plan was amended to grandfather certain loans that were identified by the State that were processed by certain vendors during the period January 1, 2009 through December 31, 2014. Additionally, effective January 1, 2019, the Plan was amended to grandfather additional loans identified by the State that were processed by certain vendors from January 1, 2015 through December 31, 2016. Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable are recorded as distributions based upon the terms of the plan document. Certain vendors issue a Form 1099-R for loans that are deemed to be in default; but if the loan is collateralized, the vendors do not offset the deemed distributed loan balance against the participant account until the participant takes a full distribution. This accounting treatment does not result in a material misstatement of the financial statements. Related fees are recorded as administrative expenses and are expensed when they are incurred. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Administration of Plan Assets

Under Delaware Code Title 29, the Plans Management Board is charged with governance of the Plan. The daily operations of the Plan are administered by Delaware's Office of the State Treasurer.

The Plan's assets are administered under contracts with the custodians and trustees of the Plan. The custodians and trustees invest funds received from contributions, investment sales, interest, and dividend income and make distribution payments to participants. Certain administrative expenses of maintaining the Plan are paid by the State.

STATE OF DELAWARE
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Participants may select a self-directed brokerage account through TD Ameritrade or through the Voya platform.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the State. Expenses paid by the State are excluded from these financial statements. Costs associated with participant-initiated transactions are paid by the respective participants' accounts. Some administrative expenses are paid from the Plan.

Voya charges the Plan a .08% asset-based fee. The OST charges the Plan a .05% oversight fee for certain administrative functions that it performs. These fees from participant accounts are deposited in a Plan Expense Reimbursement Account and are used to pay consulting, legal, accounting, OST administrative, and other fees. The .05% oversight fee is reviewed periodically by the OST and may be adjusted based on actual expense results.

NOTE 3 RELATED-PARTY TRANSACTIONS

Two State of Delaware employees are required to serve on the Plans Management Board. One State employee representative must be eligible to participate in the Plan.

Certain investments of the Plan are managed by the custodians and trustees and, therefore, these transactions qualify as party-in-interest transactions. Additionally, the plan assets include loans to participants, which are secured by the participant's account balances. These transactions qualify as party-in-interest transactions.

On May 3, 2016, the State entered into a custodial agreement with Voya Institutional Trust Company. As part of this agreement, Voya has set up a Plan Expense Reimbursement Account ("PERA") to accumulate amounts sufficient to fund asset-based fees, including an administrative service fee, and pay reasonable plan expenses. During the years ended December 31, 2022 and 2021, \$106,542 and \$90,085, respectively, was allocated to the 403(b) Plan. During the years ended December 31, 2022 and 2021, \$82,633 and \$82,588, respectively, of the PERA was used to pay plan expenses.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 PLAN TERMINATION

Although it has not expressed any intent to do so, the State of Delaware General Assembly may amend the Code to terminate the Plan. The Plans Management Board, through the authority given to it by the Code, has the right at any time to terminate the Plan. As described in Note 1 in the General section, the Plans Management Board has charged the OST with daily administration and to carry out resolutions of the Plans Management Board.

NOTE 5 TAX STATUS

In the opinion of legal counsel, the Plan has been designed to comply with Section 403(b) of the IRC and the regulations promulgated thereunder. Since the Plan is individually designed, it is not currently eligible to receive a determination letter from the Internal Revenue Service. The Plan is required to operate in conformity with the IRC and the above referenced regulations to maintain the tax deferred status of the participant deferrals under Section 403(b). Accordingly, any amount of compensation deferred under the Plan and any income attributable to the amounts so deferred are includable in the gross income of the participant only for the taxable year in which such compensation or other income is paid to the participant or the participant's beneficiary. The plan administrator believes the Plan is operating in accordance with the applicable requirements of Section 403(b) of the IRC and, therefore, believes that the benefits are tax deferred, and the related custodial accounts are not subject to income tax until distributed to the participants or their beneficiaries.

NOTE 6 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of fiduciary net position.

Credit risk is the risk that the Plan will lose money because of the default of the security of the issuer or investment counterparty. The stable value option and the variable earnings mutual funds are unrated.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investments are held in custody by Voya Institutional Trust Company and, for self-directed brokerage accounts, by TD Ameritrade. The concentrations of investments are determined by the participants' elections to invest in the available investment options as selected by the Board. The investments that exceed 5% are identified in Note 8.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 RISKS AND UNCERTAINTIES (cont'd)

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan would not be able to recover the value of its deposits, investments, or collateral securities that were in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured or not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name. Investments are held in a trust account for the benefit of the Plan. As a result, the investments of the Plan are not exposed to custodial credit risk.

Interest rate risk is the risk that changes in interest rates that will adversely affect the value of an investment. The Plan invests in mutual funds, including debt-based mutual funds. Such funds are subject to interest rate risk; funds holding bonds with longer maturities are more subject to this risk than funds holding bonds with shorter maturities.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of investments in foreign securities. The Plan does not have any direct investment in foreign securities. The Plan's exposure to foreign currency risk derives from its investment in mutual funds with international holdings. The fair value of these investments was \$22,446,253 and \$31,401,140 as of December 31, 2022 and 2021, respectively. The individual funds are identified in Note 8.

NOTE 7 CARES ACT PROVISIONS

Effective April 23, 2020, the Plan adopted coronavirus-related distribution provisions up to the \$100,000 maximum of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. On June 7, 2022, the Plan was formally amended to adopt these provisions.

NOTE 8 INVESTMENTS

Delaware Code Title 29 Section 6057 outlines the types of allowable investments of the Plan. The Plans Management Board has overall responsibility for ensuring the assets of the Plan are in compliance with all applicable laws governing the operation of the Plan and establishing the related investment guidelines and policies. These investments include the following:

1. Savings accounts in federally insured banking institutions.
2. United States government bonds or debt instruments.
3. Life insurance and annuity contracts, provided the companies offering such contracts are subject to regulation by the Insurance Commissioner of the State.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

4. Investment funds registered under the Investment Company Act of 1940.
5. Securities that are traded on the New York Stock Exchange, National Association of Securities Dealers Automated Quotations ("NASDAQ"), or American Stock Exchange.

The Plans Management Board has overall responsibility for ensuring the assets of the Plan are in compliance with applicable laws governing the operation of the Plan and establishing the related investment guidelines and policies.

Effective September 5, 2018, the Plans Management Board approved an Investment Policy Statement to guide decision making related to the selection, monitoring, and removal of investment options and other matters.

The Plan categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements.)

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The following table presents the level of the Plan's investments reported at fair value as of December 31, 2022 and 2021:

| | December 31, 2022 | | |
|----------------------------------|----------------------|----------------------|-----------------------|
| | Level 1 | Level 2 | Level 3 |
| Registered investment companies | \$253,531,165 | \$253,531,165 | \$ - |
| Variable annuity contracts | 138,045,712 | - | 138,045,712 |
| Whole life insurance policies | 777,039 | - | 777,039 |
| Self-directed brokerage accounts | 11,337,481 | 11,337,481 | - |
| Total Investments | \$403,691,397 | \$264,868,646 | \$ 138,045,712 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | December 31, 2021 | | |
|----------------------------------|----------------------|----------------------|-------------------|
| | Level 1 | Level 2 | Level 3 |
| Registered investment companies | \$285,538,437 | \$285,538,437 | \$ - |
| Variable annuity contracts | 197,845,652 | - | 197,845,652 |
| Whole life insurance policies | 731,517 | - | 731,517 |
| Self-directed brokerage accounts | 11,784,040 | 11,784,040 | - |
| Total Investments | <u>\$495,899,646</u> | <u>\$297,322,477</u> | <u>\$ 731,517</u> |

There were no significant transfers between levels 1 and 2 and no transfers in or out of level 3 for the years ended December 31, 2022 and 2021. The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2022:

| | |
|---|-------------------|
| Balance – Beginning of Year | <u>\$ 731,517</u> |
| Net investment income | 31,853 |
| Purchases, issuances, sales, and settlements contributions, rollovers, and transfers in | 15,629 |
| Withdrawals, distributions, settlements, and transfers out | (1,960) |
| Total purchases, issuances, sales, and settlements, net | <u>45,522</u> |
| Balance – End of Year | <u>\$ 777,039</u> |

Investments at Contract Value

The Plan holds investment contracts with the various vendors approved by the State of Delaware. The vendors maintain the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The investment contracts are presented on the face of the statements of fiduciary net position at contract value. Contract value, as reported by the vendors, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investments at contract value.

The contract value of the investment contract, as of December 31, 2022 and 2021, was \$69,245,176 and \$68,353,574, respectively. The investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula established by the contract issuer.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

Certain events limit the Plan's ability to transact at contract value with the issuer. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, or (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan.

Furthermore, certain events would allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Examples of such events include (a) an uncured breach of the Plan's investment guidelines, (b) a material amendment to the contract without the issuer's consent, (c) a violation of a material obligation under the contract, or (d) a material misrepresentation.

The State does not believe that any events that would limit the Plan's ability to transact at contract value with the plan participants or the issuer are probable.

Value of Investments

The Plan's investments (including gains and losses on investments bought, sold, as well as held during the year) appreciated (depreciated) in value by (\$96,648,897) and \$56,174,765 during 2022 and 2021, respectively.

The value of investments held by the Plan at December 31, 2022 and 2021 were as follows. Investments marked with an asterisk (*) represent individual investment options that exceed 5% of fiduciary net position as of December 31, 2022 or 2021. Investments marked with two asterisks (**) represent international funds.

| | <u>Fair Value/Contract Value</u> | |
|---|----------------------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Fixed Earnings Investments: | | |
| AUL Fixed Account | \$ 14,307 | \$ 14,165 |
| AXA Guaranteed Interest Account | 12,043,211 | 12,494,039 |
| EQ/Money Market | 59,372 | 51,382 |
| Great American GreatFlex 6 | 740,005 | 830,044 |
| Great American FlexMax Q | 105,183 | 124,285 |
| Hartford General Account (Empower) | 139,016 | 141,966 |
| Horace Mann 10 Year Guaranteed Period Account | 8,118 | 7,921 |
| Horace Mann 7 Year Guaranteed Period Account | 67 | 66 |
| Horace Mann Fixed Account | 13,369,276 | 13,965,628 |
| Horace Mann Loan Account | 64,113 | 66,730 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|-------------------|
| | 2022 | 2021 |
| Fixed Earnings Investments (cont'd): | | |
| Invesco Government Money Market (Security Benefit) | 62,099 | 115,798 |
| JPMorgan US Government Money Market (Security Benefit) | 59,959 | 67,466 |
| Lincoln Stable Value Z337X (Kades Margolis) | 332,793 | 12,224 |
| Lincoln Stable Value Z430X (Kades Margolis) | 6,657 | 10,278 |
| MetLife Fixed Account | 10,721,226 | 10,396,865 |
| MetLife Fixed Rider | 3,063,347 | 3,684,927 |
| MetLife Fund 16B | 22,554 | 45,823 |
| MetLife Fund 16C | 27,310 | 30,126 |
| MetLife Fund 16D | 341,791 | 101,612 |
| MetLife T-Flex | 3,391,737 | 3,741,417 |
| New York Life Fixed Annuities | 777,039 | 738,991 |
| Preference FP | 49,157 | 49,560 |
| Prime Cash Obligations Fund R (Kades Margolis) | 10 | 10 |
| QPA Series III | 2,505,703 | 2,572,449 |
| QPA Series III Plus | 466,649 | 472,532 |
| Security Benefit Fixed Account | 2,152,412 | 2,386,610 |
| Spinnaker Fixed Annuity Account | 469,814 | 514,017 |
| T. Rowe Price Government Money Market (PenServ) | - | 52,495 |
| VALIC Fixed Account Plus | 6,610,849 | 6,795,718 |
| VALIC Money Market I Fund | 66,419 | 69,731 |
| VALIC Money Market II Fund | 4,148 | 4,391 |
| VALIC Short Term Fixed | 181,476 | 171,812 |
| Vanguard Federal Money Market | 3,156,307 | 1,610,718 |
| Voya Fixed Account | 1,800,388 | 2,013,415 |
| Voya Fixed Plus Account | 225,947 | 207,638 |
| Voya Fixed Plus Account III | 6,192,656 | 4,775,632 |
| Voya Money Market Portfolio - Class I | 14,061 | 15,093 |
| Total Fixed Earnings Investments | <u>69,245,176</u> | <u>68,353,574</u> |
| Variable Earnings Investments: | | |
| AXA | | |
| 1290 VT DoubleLine Dynamic Allocation | - | 66,248 |
| 1290 VT Equity Income | 146,640 | 151,261 |
| 1290 VT GAMCO Mergers & Acquisitions | 53,715 | 60,937 |
| 1290 VT GAMCO Small Company Value | 1,826,514 | 2,159,549 |
| 1290 VT High Yield Bond | 2,430 | 2,745 |
| 1290 VT Small Cap Value | 728,417 | 819,836 |

STATE OF DELAWARE
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|---|---------------------------|-----------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| 1290 VT SmartBeta Equity | 688,155 | 854,624 |
| 1290 VT Socially Responsible | 54,757 | 71,301 |
| American Funds Insurance Series Bond | 12,798 | 14,877 |
| Delaware Ivy VIP High Income | 151,358 | 178,819 |
| Delaware Ivy VIP Small Cap Growth | - | 35,217 |
| EQ/2000 Managed Vol | 322 | 422 |
| EQ/400 Managed Vol | 25,484 | 30,840 |
| EQ/500 Managed Vol | 33,218 | 42,145 |
| EQ/Aggressive Allocation | 724,347 | 909,355 |
| EQ/Aggressive Growth Strategy | 6,112 | 7,587 |
| EQ/All Asset Growth Allocation | 21,917 | 26,167 |
| EQ/AllianceBernstein Small Cap Growth | 1,576,814 | 2,281,459 |
| EQ/American Century Mid Cap Value | 101,797 | 106,721 |
| EQ/Balanced Strategy | 147,438 | 181,754 |
| EQ/Capital Group Research | 2,958,441 | 3,832,469 |
| EQ/ClearBridge Large Cap Growth | 314,784 | 482,281 |
| EQ/ClearBridge Select Equity Managed Volatility | 415,288 | 600,526 |
| EQ/Com Stock Index | 2,146,861 | 2,873,552 |
| EQ/Conservative Allocation | 88,163 | 102,235 |
| EQ/Conservative Growth MF/ETF | 16,670 | - |
| EQ/Conservative Growth Strategy | 6,692 | 7,942 |
| EQ/Conservative Strategy | 457 | 528 |
| EQ/Conservative-Plus Allocation | 37,392 | 48,408 |
| EQ/Core Bond Index | 318,422 | 372,822 |
| EQ/Core Plus Bond | 124,875 | 151,205 |
| EQ/Emerging Markets Equity Plus ** | 10,800 | 13,302 |
| EQ/Equity 500 Index | 1,174,945 | 1,508,568 |
| EQ/Fidelity Institutional AM Large Cap | 825,030 | 1,078,828 |
| EQ/Franklin Small Cap Value Managed Volatility | 323,415 | 406,573 |
| EQ/Global Equity Managed Volatility ** | 1,616,039 | 2,189,602 |
| EQ/Goldman Sachs Mid Cap Value | 57,562 | 65,694 |
| EQ/Intermediate Government Bond | 234,800 | 274,048 |
| EQ/International Core Managed Volatility | 584,946 | 709,967 |
| EQ/International Equity Index | 609,909 | 763,102 |
| EQ/International Managed Volatility | 4,363 | 5,205 |
| EQ/International Value Managed Volatility | 989,020 | 1,194,437 |
| EQ/Invesco Comstock | 202,352 | 220,605 |
| EQ/Invesco Global ** | 338,946 | 534,727 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|---|---------------------------|-----------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| EQ/Invesco Global Real Estate ** | 57,175 | 62,004 |
| EQ/Invesco International Growth ** | - | 206,447 |
| EQ/Janus Enterprise | 560,748 | 734,320 |
| EQ/JPMorgan Value Opportunities | 631,308 | 633,254 |
| EQ/Large Cap Core Managed Vol | 159,507 | 200,471 |
| EQ/Large Cap Growth Index | 723,772 | 1,060,757 |
| EQ/Large Cap Growth Managed Vol | 1,932,220 | 2,969,869 |
| EQ/Large Cap Value Index | 456,097 | 503,988 |
| EQ/Large Cp Value Managed Vol | 2,640,117 | 3,202,526 |
| EQ/Lazard Emerging Markets Equity ** | 116,022 | 139,005 |
| EQ/Loomis Sayles Growth | 273,488 | 399,741 |
| EQ/MFS International Growth ** | 383,787 | 272,341 |
| EQ/MFS International Intrinsic Value ** | 675,390 | 908,829 |
| EQ/MFS Mid Cap Focused Growth | 483,276 | 678,377 |
| EQ/MFS Technology | 327,419 | 520,384 |
| EQ/MFS Utilities Series | 64,650 | 68,226 |
| EQ/Mid Cap Index | 1,276,349 | 1,584,855 |
| EQ/Mid Cap Value Managed Vol | 2,108,204 | 2,573,799 |
| EQ/Moderate Allocation | 1,290,502 | 1,640,495 |
| EQ/Moderate Growth Strategy | 9,733 | 11,893 |
| EQ/Moderate-Plus Allocation | 847,409 | 1,096,916 |
| EQ/Morgan Stanley Small Cap Growth | 159,730 | 291,566 |
| EQ/PIMCO Global Real Return ** | 3,078 | 4,143 |
| EQ/PIMCO Ultra Short Bond | 131,088 | 135,804 |
| EQ/Quality Bond Plus | 298,333 | 344,935 |
| EQ/Small Company Index | 479,842 | 633,046 |
| EQ/T. Rowe Price Growth Stock | 1,905,706 | 3,335,717 |
| EQ/Value Equity | 1,836,481 | 2,305,460 |
| EQ/Wellington Energy | 12,029 | 9,212 |
| Fidelity VIP Equity Income | 36,747 | 39,273 |
| Fidelity VIP Mid Cap | 171,269 | 205,650 |
| Invesco Oppenheimer V.I. Main Street Fund | - | 1,589 |
| Invesco V.I. Diversified Dividend | 8,057 | 8,325 |
| Invesco V.I. High Yield | 31,874 | 35,883 |
| Invesco V.I. Main Street Fund | 7,211 | 11,743 |
| Invesco V.I. Small Cap Equity | 19,188 | 24,338 |
| MFS Investors Trust | 41,829 | 53,782 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | <u>Fair Value/Contract Value</u> | |
|---|----------------------------------|-------------------|
| | <u>2022</u> | <u>2021</u> |
| Variable Earnings Investments (cont'd): | | |
| MFS Mass Investors Growth Stock | 20,227 | 25,440 |
| MSCI EAFE 1yr - 10% Buffer | 10,331 | 9,661 |
| Multimanager Aggressive Equity | 391,276 | 588,040 |
| Multimanager Core Bond | 129,594 | 145,271 |
| Multimanager Technology | 1,350,574 | 2,271,227 |
| PIMCO VIT Commodity Real Return Strategy | 5,697 | 5,892 |
| Russell 2000 1yr - 10% Buffer | 6,698 | 6,270 |
| Russell 2000 3yr - 20% Buffer | 11,582 | 13,128 |
| S&P 500 Index 1yr - 10% Buffer | 117,177 | 122,203 |
| S&P 500 Index 3yr - 20% Buffer | 24,456 | 27,088 |
| S&P 500 Index 5yr - 20% Buffer | 8,636 | 8,956 |
| Target 2015 Allocation | 9,737 | 11,512 |
| Target 2025 Allocation | 346 | 5,705 |
| Target 2035 Allocation | 32,116 | 38,898 |
| Target 2045 Allocation | 13,415 | 16,360 |
| Target 2055 Allocation | 44,706 | - |
| Templeton Global Bond VIP ** | 51,473 | 56,981 |
| Van ECK VIP Global Hard Assets ** | 9,563 | 9,561 |
| Total Variable Earnings Investments at AXA | <u>42,099,644</u> | <u>55,709,656</u> |
| Voya | | |
| Allspring Special Small Cap VI Fund A | 2,552 | - |
| American Funds EuroPacific Growth Fund - Class R-4 ** | 4,760 | 6,260 |
| American Funds The Growth Fund of America - Class R-4 | 10,337 | 15,124 |
| American Funds Washington Mutual Investors Fund - Class R-4 | 16 | 18 |
| Ariel Fund - Investor Class | 4,533 | 5,654 |
| Delaware Small Cap Value Fund - A | 4,940 | 5,712 |
| Fidelity VIP Contrafund Portfolio - Initial Class | 18,748 | 14,444 |
| Fidelity VIP Equity-Income Portfolio - Initial Class | 30,550 | 35,294 |
| Fidelity VIP Growth Portfolio - Initial Class | 6,108 | 8,260 |
| Invesco Developing Markets Fund - A ** | 2,185 | 1,690 |
| Templeton Global Bond Fund A | 2,838 | 3,065 |
| Voya Balanced Portfolio - Class I | 101,159 | 123,773 |
| Voya Baron Growth Portfolio - Service Class | 3,730 | 4,953 |
| Voya Columbia Contrarian Core Portfolio - Service Class | 25,500 | 34,420 |
| Voya Global High Dividend Low Volatility Portfolio - Class I ** | 1,926 | 2,052 |
| Voya Growth and Income Portfolio - Class I | 572,663 | 718,448 |
| Voya Index Plus Large Cap - Class I | 7,964 | - |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|-----------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Voya Index Plus Mid Cap - Class I | 7,069 | - |
| Voya Index Plus Small Cap - Class I | 6,339 | - |
| Voya Intermediate Bond Portfolio - Class I | 11,766 | 31,378 |
| Voya Invesco Global Portfolio - Initial Class | 6,690 | - |
| Voya Invesco Growth and Income Portfolio - Service Class | 6,921 | 3,847 |
| Voya JPMorgan Emerging Markets Equity Portfolio - Service Class | 1,996 | 2,757 |
| Voya Large Cap Growth Portfolio - Institutional Class | 5,807 | 8,460 |
| Voya Large Cap Value Portfolio - Institutional Class | 62,603 | 69,940 |
| Voya Oppenheimer Global Portfolio - Initial Class | - | 7,874 |
| Voya Russell Large Cap Value Index Portfolio - Class S | 34,937 | 40,691 |
| Voya T. Rowe Price Capital Appreciation Portfolio - Service Class | 17,717 | 22,026 |
| Voya T. Rowe Price Growth Equity Portfolio - Initial Class | 482 | 881 |
| Wanger Select | 2,064 | 3,209 |
| Wanger USA | 3,296 | 5,020 |
| Total Variable Earnings Investments at Voya | 968,196 | 1,175,250 |
| Lincoln Investments | | |
| AIM - Active - Conservative Growth & Income | 17,715 | 21,114 |
| AIM - Active - Total Return | 86,539 | 103,808 |
| Alger Capital Appreciation Fund - A | 2,511 | 4,062 |
| Alger Capital Appreciation Fund - Z | 24,686 | 40,034 |
| Alger Growth & Income Fund - Z | 2,842 | 3,299 |
| AllianceBernstein Sustainable International Thematic Fund - Adv ** | 6,028 | 8,216 |
| Allspring Large Cap Core I | 15,590 | 18,303 |
| Allspring Special Small Cap Value I | 577 | 676 |
| American Century Heritage Fund - I | 31,985 | 45,855 |
| American Funds AMCAP Fund - A | 27,353 | 38,573 |
| American Funds American Balanced Fund - A | 2,226 | 2,533 |
| American Funds American Balanced Fund - F3 | 1,805 | 2,047 |
| American Funds Capital World Growth and Income Fund - A ** | 13,857 | 16,832 |
| American Funds Capital World Growth and Income Fund - F1 ** | 11,541 | 14,037 |
| American Funds Capital World Growth and Income Fund - F3 ** | 25,456 | 30,944 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|---|---------------------------|---------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| American Funds EuroPacific Growth Fund - A ** | 413 | 619 |
| American Funds EuroPacific Growth Fund - F3 ** | 6,425 | 8,315 |
| American Funds Investment Company of America - A | 6,925 | 8,271 |
| American Funds Investment Company of America - F1 | 20,230 | 24,108 |
| American Funds Investment Company of America - F3 | - | 2,877 |
| American Funds New Perspective Fund - A | 54 | 72 |
| American Funds Small Cap World Fund - A ** | 54 | 77 |
| BlackRock Equity Dividend Fund - A | 25,198 | 26,297 |
| BlackRock Equity Dividend Fund - I | 20,644 | 22,954 |
| BlackRock Global Allocation Fund - A ** | 3,314 | 3,947 |
| Calvert Bond Portfolio - I | 17,735 | 20,211 |
| CLS American Hybrid Strategy - Moderate Aggressive | - | 33,157 |
| CRMC American Funds Portfolios – Growth & Income | 27,830 | - |
| Dividend Portfolios - Income (403B) | 90,720 | 102,044 |
| Delaware Ivy Asset Strategy - A | 3,496 | 4,114 |
| Delaware Ivy Asset Strategy - R6 | 7,353 | 8,724 |
| Dodge & Cox Balanced Fund | 6,324 | 7,123 |
| Eaton Vance Large Cap Value Fund - I | 26,645 | 27,346 |
| FederatedHermes International Leaders - IS | 3,343 | 3,666 |
| FederatedHermes Kaufmann Small Cap Fund - A | 10,863 | 15,923 |
| FederatedHermes Kaufmann Small Cap Fund - IS | 865 | 1,255 |
| FederatedHermes Prime Cash Obligations Fund - AS | 4,602 | 4,799 |
| Fidelity Advisor Focus Emerging Markets Fund - Z ** | 3,233 | 4,029 |
| First Eagle Global Fund - A ** | 1,238 | 1,393 |
| First Eagle Global Fund - I ** | 31,988 | 34,121 |
| Franklin Gold and Precious Metals Fund - A | 208 | 272 |
| Franklin Income Fund - A1 | 40,702 | 50,038 |
| Franklin Income Fund - R6 | 24,533 | 26,717 |
| Franklin Mutual Global Discovery Fund - A ** | 42,066 | 44,686 |
| Franklin Mutual Global Discovery Fund - Z ** | - | 4,826 |
| Franklin Natural Resources Fund - A | 328 | 251 |
| Franklin Rising Dividends Fund - A | 123,935 | 139,369 |
| Franklin Rising Dividends Fund - Adv | 13,365 | 22,016 |
| Franklin Small Cap Value Fund - A | 13 | 15 |
| Franklin Small Cap Value Fund - Adv | 2,064 | 2,292 |
| Franklin Utilities Fund | 2,094 | 2,060 |
| Goldman Sachs Short Duration Government Fund - A | 20,420 | 21,643 |
| Guggenheim Total Return Bond - I | 2,992 | 3,542 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|---------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Hartford Core Equity - Y | 9,031 | - |
| Invesco Charter Fund - A | 12,217 | 15,411 |
| Invesco Developing Markets Fund - A ** | 4,227 | 5,649 |
| Invesco Developing Markets Fund - Y ** | 37,223 | 54,212 |
| Invesco Discovery Mid Cap Growth Fund - Y | 3,375 | 5,148 |
| Invesco Diversified Dividend Fund - A | 2,239 | 2,409 |
| Invesco Diversified Dividend Fund - Y | - | 864 |
| Invesco Emerging Markets All Cap - A ** | 14,461 | 17,572 |
| Invesco Emerging Markets All Cap Fund - Y ** | 3,704 | 4,488 |
| Invesco Global Growth Fund - A ** | 853 | 1,259 |
| Invesco International Diversified Fund - A ** | 3,043 | 7,518 |
| Invesco International Diversified Fund - Y ** | 2,082 | 2,782 |
| Invesco MainStreet Mid Cap Fund - Y | 12,846 | 14,955 |
| Invesco Rising Dividends Fund - A | 1,896 | 2,244 |
| Invesco Small Cap Growth Fund - A | 619 | 961 |
| Invesco Small Cap Growth Fund - Y | 24,931 | 38,618 |
| Janus Henderson Triton Fund - A | 4,017 | 5,281 |
| Janus Henderson Triton - I | 73,101 | 101,778 |
| JPMorgan Global Multi Asset - Moderate Growth ** | 96,390 | 117,144 |
| JPMorgan Small Cap Value Fund - I | 2,645 | 3,054 |
| Meeder - Master Program - Moderate Growth | 37,327 | 42,797 |
| MFS Core Equity | 7,434 | - |
| MFS Growth - I | - | 9,758 |
| PIMCO Investment Grade Credit Bond Fund - I | 5,381 | 6,393 |
| PIMCO Total Return Fund - A | 20,216 | 23,665 |
| PIMCO Total Return Fund - I | 16,780 | 19,564 |
| PRIMECAP Odyssey Growth Fund | 6,214 | 7,278 |
| Variable Earnings Investments (cont'd): | | |
| Progressive Asset Management - Conservative 5 | 1,685 | 2,172 |
| Progressive Asset Management - Moderate 12 | 42,837 | 50,865 |
| Progressive Asset Management - Moderate 14 | 187,344 | 222,291 |
| Progressive Asset Management - Moderate 5 | 28,373 | 34,891 |
| Progressive Asset Management - Moderate 8 | 26,415 | 32,026 |
| Progressive Asset Management - Moderate Aggressive 8 | 27,383 | 33,022 |
| Templeton Emerging Market Small Cap - A ** | 2,661 | 3,291 |
| T. Rowe Price Blue Chip Growth Fund - I | 8,431 | 26,426 |
| T. Rowe Price Retirement 2025 Fund - Inv | 408 | 544 |
| T. Rowe Price Retirement 2030 Fund - I | 1,284 | 1,625 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|------------------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Vanguard Balanced Index Fund - Admiral | 13,314 | 16,214 |
| Vanguard Dividend Growth Fund - Inv | 24,696 | 26,377 |
| Vanguard Energy Fund - Admiral | 3,213 | 2,595 |
| Vanguard Equity Income Fund - Admiral | 1,971 | 2,065 |
| Vanguard Growth and Income Fund - Admiral | 7,186 | 8,669 |
| Vanguard Mid Cap Index - Admiral | 2,627 | 3,232 |
| Vanguard Small Cap Growth Index Fund - Admiral | 2,723 | 3,855 |
| Vanguard Target Retirement Fund 2020 | 19,046 | 22,278 |
| Vanguard Target Retirement Fund 2030 | 269,611 | 325,104 |
| Vanguard Wellesley Income Fund - Admiral | 349 | 84 |
| Total Variable Earnings Investments at Lincoln Investments | <u>1,936,732</u> | <u>2,362,230</u> |
| MetLife | | |
| 1919 Variable Socially Responsible Balanced | 120,259 | 154,237 |
| American Funds Balanced Allocation | 212,803 | 258,614 |
| American Funds Bond Fund | 428,852 | 646,065 |
| American Funds Global Small Cap Fund ** | 1,570,889 | 2,387,356 |
| American Funds Growth Allocation | - | 37,423 |
| American Funds Growth and Income Fund | 504,978 | 672,570 |
| American Funds Growth Fund | 2,939,941 | 4,501,842 |
| American Funds Moderate Allocation | 524,376 | 621,421 |
| Baillie International Stock ** | 273,523 | 405,078 |
| BlackRock Bond Income | 101,894 | 126,172 |
| BlackRock Bond Income - Class A | - | 17,177 |
| BlackRock Capital Appreciation | 264,229 | 438,531 |
| BlackRock High Yield | 135,217 | 151,940 |
| Blackrock Ultra Short Term Bond | 12,661 | - |
| BrightHouse Asset All 100 | 1,966,016 | 2,631,284 |
| BrightHouse Asset All 20 | 139,809 | 205,942 |
| BrightHouse Asset All 40 | 484,069 | 848,280 |
| BrightHouse Asset All 60 | 6,849,704 | 9,181,970 |
| BrightHouse Asset All 80 | 14,284,092 | 18,551,477 |
| BrightHouse Small Cap Value | 92,107 | 108,127 |
| BrightHouse/Artisan Mid Cap Value | 36,720 | 43,179 |
| BrightHouse/Franklin Low Duration Total Return | 22 | 23 |
| BrightHouse/Wellington Balanced Portfolio | 756,912 | 891,358 |
| BrightHouse/Wellington Core Equity Opportunities | 314,977 | 240,282 |
| BrightHouse/Wellington Large Cap Research | 983,164 | 1,533,524 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|-----------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Calvert VP SRI Balanced | 204,520 | 245,161 |
| Clarion Global Real Estate ** | 115,810 | 154,457 |
| ClearBridge Aggressive II | - | 1,532,752 |
| ClearBridge Variable Aggressive Growth | 397,951 | 559,041 |
| ClearBridge Variable Appreciation | 40,547 | 47,019 |
| ClearBridge Variable Large Cap Growth | 362,847 | 540,140 |
| ClearBridge Variable Large Cap Value | 28,646 | 31,184 |
| ClearBridge Variable Small Cap Growth | 66,487 | 87,623 |
| Fidelity Contrafund - Service Class 2 | 274,175 | 386,171 |
| Fidelity Growth | 13,509 | 19,143 |
| Fidelity High Income Portfolio - Initial Class | 35,328 | 40,201 |
| Fidelity Investment Growth Bond | 5,127 | 6,306 |
| Fidelity VIP Equity Income | 77,381 | 89,438 |
| Fidelity VIP Mid Cap Portfolio - Service Class 2 | 160,647 | 194,224 |
| Franklin Small Cap Value VIP | 8,206 | 12,597 |
| Frontier Mid Cap Growth Portfolio | 855,331 | 1,463,754 |
| Harris Oakmark International ** | 1,563,908 | 2,162,161 |
| Invesco Comstock Portfolio | 6,144 | 6,197 |
| Invesco Global Equity Portfolio ** | 418,125 | - |
| Invesco Mid Cap Value | - | 235,434 |
| Invesco Small Cap Growth | 275,936 | 418,625 |
| Janus Henderson Overseas Portfolio ** | 53,709 | 59,481 |
| Jennison Growth | 556,325 | 1,100,023 |
| JPMorgan Small Cap Value | 1,172 | 1,375 |
| Loomis Sayles Global Markets ** | 617,418 | 936,117 |
| Loomis Sayles Growth Portfolio | 972,107 | - |
| Loomis Sayles Small Cap Fund | 69,636 | - |
| Loomis Sayles Small Cap Growth | 91,018 | 201,672 |
| MetLife Aggregate Bond Index | 476,311 | 603,816 |
| MetLife Mid Cap Stock Index | 427,650 | 571,123 |
| MetLife MSCI EAFE Index | 496,774 | 689,357 |
| MetLife Russell 2000 Index | 658,725 | 925,062 |
| MetLife Stock Index Portfolio | 3,228,268 | 4,277,079 |
| MFS Research International ** | 89,259 | 114,218 |
| MFS Total Return | 80,912 | 93,313 |
| MFS Value Portfolio | 344,379 | 455,143 |
| MFS Value Portfolio ETF | 1,434 | - |
| Morgan Stanley Discovery Growth | 431,401 | - |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|-------------------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Morgan Stanley Mid Cap Growth | - | 1,186,754 |
| Neuberger Berman Genesis | 101,223 | 117,387 |
| Oppenheimer Global Equity ** | - | 890,662 |
| PIMCO Inflation Protected Bond | 126,320 | 170,490 |
| PIMCO Total Return | 609,244 | 759,267 |
| SSgA Growth and Income ETF | 619,191 | 853,071 |
| SSgA Growth ETF Portfolio | 761,249 | 930,837 |
| SSgA Growth Index ETF | 11,530 | - |
| Stock Index | 2,299,112 | 3,524,600 |
| T. Rowe Price Large Cap Growth | 620,505 | 1,441,847 |
| T. Rowe Price Large Cap Value | 1,679 | 2,006 |
| T. Rowe Price Mid Cap Growth | 554,166 | 996,545 |
| T. Rowe Price Small Cap Growth | 884,884 | 1,643,465 |
| Templeton Developing Markets VIP ** | 1,759 | 2,283 |
| Templeton Foreign VIP ** | 9,133 | 9,305 |
| Victory Sycamore Mid Cap Value Portfolio | 229,874 | - |
| Western Asset Management Strategy Bond Opportunities | 262,552 | 377,016 |
| Western Asset Management US Government | 124,975 | 148,150 |
| Total Variable Earnings Investments at MetLife | <u>53,721,733</u> | <u>75,966,964</u> |
| MassMutual | | |
| Alger Capital Appreciation Institutional - I | 88,100 | 139,417 |
| Alger Mid Cap Growth Institutional - I | 42,316 | 65,384 |
| American Century Equity Income - A | 49,697 | 51,436 |
| American Funds Capital World Growth and Income - R3 ** | 516,663 | 655,887 |
| American Funds Fundamental Investors - R3 | 612,829 | 764,912 |
| American Funds Growth Fund - R3 | 359,639 | 521,622 |
| BlackRock LifePath 2030 Investors - A | 185,376 | 220,637 |
| BlackRock LifePath 2040 Investors - A | 114,575 | 138,571 |
| BlackRock LifePath Retirement Investors - A | 72,376 | 85,347 |
| BNY Mellon Mid Cap Index - Inv | 70,751 | 81,810 |
| BNY Mellon Small Cap Stock Index - Inv | 62,475 | 74,883 |
| Columbia Select Mid Cap Value - Advisor | 32,126 | 35,359 |
| Eaton Vance Large Cap Value - A | 33,001 | 33,944 |
| Franklin Growth - A | 63,303 | 84,501 |
| Franklin Mutual Shares - A | 90,027 | 138,257 |
| Goldman Sachs Small Cap Value - A | 60,981 | 81,688 |
| Invesco Equity and Income - A | 215,675 | 234,809 |
| Janus Overseas - S ** | 33,368 | 36,683 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|---|---------------------------|-----------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Lord Abbett Value Opportunities - A | 104,707 | 134,074 |
| PIMCO Real Return - A | 67,346 | 76,720 |
| PIMCO Total Return - A | 216,050 | 270,882 |
| Pioneer Strategic Income - A | 56,311 | 65,227 |
| The Hartford Capital Appreciation - R5 | 442,752 | 600,525 |
| The Hartford Small Company - R5 | 12,292 | 17,857 |
| Total Variable Earnings Investments at MassMutual | 3,602,736 | 4,610,432 |
| VALIC | | |
| Aggressive Growth Lifestyle | 165,659 | 199,455 |
| Ariel Appreciation Fund | 5,164 | 5,956 |
| Ariel Fund | 1,709 | 29,377 |
| Blue Chip Growth Fund | - | 85,321 |
| Conservative Growth Lifestyle | - | 491 |
| Core Bond Fund | 298,533 | 405,167 |
| Dividend Value | 54,794 | 197,942 |
| Emerging Economies ** | 509,022 | 640,698 |
| Global Real Estate Fund ** | 166,186 | 219,206 |
| Global Strategy ** | 32,573 | 38,018 |
| Government Fund | 50,779 | 50,510 |
| Government Securities Fund | 19,676 | 15,959 |
| Growth Fund | 193,390 | 305,456 |
| High Yield Bond Fund | 134,973 | 177,495 |
| Inflation Protected Fund | 161,392 | 226,307 |
| International Equities Index Fund ** | 819,349 | 998,156 |
| International Growth Fund ** | 30,379 | 52,189 |
| International Government Bond ** | 9,027 | 11,726 |
| International Opportunities ** | 419,486 | 410,459 |
| International Socially Responsible Fund ** | 187,149 | 162,883 |
| International Value Fund ** | 239,829 | 321,704 |
| Invesco Balanced Risk Commodity Strategy Fund | 142,701 | 174,264 |
| Large Capital Growth | 120,717 | 45,255 |
| Mid Cap Index Fund | 809,565 | 1,014,965 |
| Mid Cap Strategic Growth | 153,156 | 76,397 |
| Mid Cap Value Fund | 336,188 | 506,151 |
| Moderate Growth Lifestyle | 54,262 | 64,208 |
| NASDAQ-100 (R) Index Fund | 3,458 | 5,198 |
| Science & Technology Fund | 222,204 | 369,378 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | <u>Fair Value/Contract Value</u> | |
|--|----------------------------------|-------------------|
| | <u>2022</u> | <u>2021</u> |
| Variable Earnings Investments (cont'd): | | |
| Small Cap Growth Fund | 107,854 | 208,622 |
| Small Cap Index Fund | 135,173 | 308,885 |
| Small Cap Special Value Fund | 37 | 44 |
| Small Cap Value Fund | 185,618 | 266,137 |
| Stock Index Fund | 2,413,230 | 3,181,499 |
| Systematic Core Fund | 246,410 | 315,884 |
| Systematic Growth Fund | 34,550 | - |
| Systematic Value Fund | 102,440 | 114,189 |
| US Socially Responsible Fund | 533,920 | 689,369 |
| Vanguard LifeStrategy Conservative | 5,829 | 6,943 |
| Vanguard LifeStrategy Growth | 51,647 | 63,077 |
| Vanguard LifeStrategy Moderate | 1,454 | 1,753 |
| Vanguard Long-Term Investment-Grade Fund | 641 | 871 |
| Vanguard Long-Term Treasury | 385 | 553 |
| Vanguard Wellington Fund | 211,655 | 245,836 |
| Vanguard Windsor II | 699,127 | 795,367 |
| VC I Conservative Growth Lifestyle | 418 | - |
| Total Variable Earnings Investments at VALIC | <u>10,071,708</u> | <u>13,009,320</u> |
| Horace Mann | | |
| American Funds Insurance Washington Mutual | 174,652 | 209,184 |
| American Funds Insurance Series Growth | 197,185 | 247,372 |
| American Funds Insurance Series Managed Risk | 37,329 | 61,538 |
| American Funds Insurance Series New World | 64,420 | 127,339 |
| BNYMellon Small Cap Stock Index | 762,603 | 1,028,443 |
| Calvert S&P Mid Cap 400 Index | 1,426,137 | 1,825,728 |
| ClearBridge Variable Small Cap Growth | 450 | 588 |
| Fidelity Freedom 2015 | 1,944 | 2,332 |
| Fidelity Freedom 2025 | 70,525 | 85,444 |
| Fidelity Freedom 2035 | 9,554 | 11,958 |
| Fidelity Freedom 2045 | 34,578 | 43,133 |
| Fidelity Funds Manager 20% | 11,654 | 13,037 |
| Fidelity Funds Manager 50% | 25,770 | 83,665 |
| Fidelity Funds Manager 60% | 365,784 | 441,260 |
| Fidelity Funds Manager 70% | 1,296,613 | 1,708,518 |
| Fidelity Funds Manager 85% | 214,043 | 260,886 |
| Fidelity Real Estate Portfolio - Service Class 2 | 163,256 | 232,250 |
| Fidelity VIP Index 500 - Service Class 2 | 5,082,327 | 7,063,844 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|------------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Fidelity VIP Investment Grade Bond - Service Class 2 | 74,815 | 88,976 |
| Fidelity VIP Overseas - Service Class 2 ** | 407,832 | 683,539 |
| Goldman Sachs Government Money | 109,292 | - |
| JPMorgan Small Cap Value | 9,731 | - |
| JPMorgan US Equity | 141,291 | 160,139 |
| Lord Abbett Developing Growth ** | 30,244 | 46,869 |
| MFS Mid Cap Value Portfolio | 28,733 | 21,800 |
| MFS VIT International Growth Service ** | 1,386 | 1,698 |
| T. Rowe Price Prime Reserve | - | 153,458 |
| Templeton Global Bond Securities Fund ** | 12,763 | 14,436 |
| Wells Fargo Advantage Discovery | 76,515 | 139,857 |
| Wilshire Vi Balanced HM Shares | 3,675,963 | 4,988,340 |
| Total Variable Earnings Investments at Horace Mann | 14,507,389 | 19,745,631 |
| PenServ | | |
| Delaware Equity Income - A | 30,714 | 25,809 |
| Cantor Growth Equity Fund - A | 38,238 | - |
| Delaware Fund for Income - A | - | 9,768 |
| Delaware Corporate Bond - A | 22,947 | 27,381 |
| Delaware Global - A ** | 3,164 | 3,580 |
| Delaware Growth and Income - A | 155,677 | 134,806 |
| Delaware Growth Equity - A | - | 36,450 |
| Delaware International - A ** | - | 13,028 |
| Delaware High-Yield Opportunities - A | 8,826 | - |
| Delaware International Value Equity - A ** | 11,050 | - |
| Delaware Opportunity - A | 47,006 | 52,976 |
| Delaware Small Cap Value - A | 23,611 | - |
| Delaware Special Situations - A | - | 24,513 |
| Delaware Total Return - A | 383,659 | 483,886 |
| Total Variable Earnings Investments at PenServ | 724,892 | 812,197 |
| Symetra | | |
| Resource B Deu International ** | 37,723 | 36,054 |
| Resource B DWS Global Income Builder VIP ** | 5,147 | 6,260 |
| Resource B Pioneer Bond - I | 3,300 | 3,930 |
| Resource B Pioneer Funds | 475,588 | 713,104 |
| Resource B Pioneer Mid Cap Value | 73,527 | 80,059 |
| Resource B Pioneer Select Mid Cap Growth - I | 698,024 | 736,783 |
| Spinnaker American Century VP Balanced | 70,401 | 93,879 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|---------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Spinnaker American Century VP Large Company Value - II | 4,205 | 4,316 |
| Spinnaker American Century VP International ** | 1,465 | 3,447 |
| Spinnaker American Century VP Value | 2,711 | 11,228 |
| Spinnaker Dreyfus IP Mid Cap Stock | 56,723 | 87,493 |
| Spinnaker Dreyfus IP Technology Growth | 48,273 | 91,344 |
| Spinnaker Dreyfus Stock Index | 42,485 | 52,879 |
| Spinnaker Dreyfus VIF Appreciation | 10,862 | 13,920 |
| Spinnaker DWS Global Income Builder VIP ** | 27,450 | 44,821 |
| Spinnaker DWS International ** | 3,675 | 13,416 |
| Spinnaker Federated High Income Bond - II | 2,362 | 2,715 |
| Spinnaker Fidelity VIP - II | 2,549 | 2,583 |
| Spinnaker Fidelity VIP Contrafund | 102,096 | 145,391 |
| Spinnaker Fidelity VIP Equity Income | 41,908 | 44,715 |
| Spinnaker Fidelity VIP Growth | 112 | 151 |
| Spinnaker Fidelity VIP Growth & Income | 49,065 | 53,046 |
| Spinnaker Fidelity VIP Mid Cap | 11,962 | 14,931 |
| Spinnaker Franklin Flex Cap | 11,053 | 18,718 |
| Spinnaker Franklin Mid Cap Value | 11,837 | - |
| Spinnaker Franklin Mutual Shares Securities | 2,409 | 2,749 |
| Spinnaker Franklin Small Cap Value | 16,760 | 19,383 |
| Spinnaker Franklin Small Mid Class | - | 18,377 |
| Spinnaker Franklin US Government | 2,965 | 3,503 |
| Spinnaker Invesco VI American Franchise - I | 3,995 | 5,915 |
| Spinnaker Invesco VI Discovery Mid Cap Growth - II | - | 6,420 |
| Spinnaker Invesco VI Discovery Mid Cap Growth - UU | 4,360 | - |
| Spinnaker Invesco VI Global Real Estate ** | 17,956 | 24,882 |
| Spinnaker Invesco VI Equity Growth - II | 8,630 | - |
| Spinnaker Invesco VI International Growth - II ** | - | 10,738 |
| Spinnaker JPMorgan Mid Cap Value | 46,070 | 50,869 |
| Spinnaker JPMorgan US Equity | 14,380 | 20,087 |
| Spinnaker PIMCO VIT All Asset - Adv | 2,029 | 2,334 |
| Spinnaker PIMCO VIT Commodity Real Return - Adm | 490 | 476 |
| Spinnaker Pioneer Fund | 492,988 | 599,281 |
| Spinnaker Pioneer High Yield | 1,598 | 1,905 |
| Spinnaker Pioneer Select Mid Cap Growth | 346,630 | 912,789 |
| Spinnaker Pioneer Strategic Income - II | 1,383 | 1,675 |
| Spinnaker Templeton Developing Markets ** | 2,593 | 3,425 |
| Spinnaker Templeton Global Bond ** | 1,186 | 1,266 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|---|---------------------------|------------------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Spinnaker Templeton Growth Securities | 4,351 | 4,986 |
| Total Variable Earnings Investments at Symetra | <u>2,765,276</u> | <u>3,966,243</u> |
| New York Life | | |
| New York Life Variable Annuities | 1,114,162 | 1,322,291 |
| Whole Life Insurance Policies | 767,237 | 731,517 |
| Total Variable Earnings Investments at New York Life | <u>1,881,399</u> | <u>2,053,808</u> |
| Kades Margolis | | |
| AllianceBernstein Global Bond - A ** | 28,134 | 32,326 |
| AllianceBernstein Large Cap Growth - A | 83,442 | 85,556 |
| American Century Equity Income - A | 58,701 | 64,525 |
| American Century Heritage Fund - A | 5,205 | 7,259 |
| American Funds 2030 Target Date Retirement - R-4 | 45,016 | 52,828 |
| American Funds 2045 Target Date Retirement - R-4 | 181 | 223 |
| American Funds AMCAP - R-4 | 68,247 | 101,791 |
| American Funds American Balanced - R-4 | 292,025 | 294,566 |
| American Funds Capital Income Builder - R-4 | 53,244 | 84,892 |
| American Funds Capital World Growth & Income - R-4 ** | 156,447 | 200,845 |
| American Funds EuroPacific Growth - R-4 ** | 13,430 | 17,440 |
| American Funds Fundamental Investor - R-4 | 14,456 | 17,357 |
| American Funds Growth Fund of America - R-4 | 14,177 | 33,139 |
| American Funds Income Fund of America - R-4 | 96,077 | 102,778 |
| American Funds Investment Co of America - R-4 | - | 34,434 |
| American Funds New Economy - R-4 | 55,990 | 116,163 |
| American Funds New World - F-2 | 7,100 | 9,830 |
| American Funds New World - R-4 | 25,040 | 32,379 |
| American Funds US Government Securities - F-2 | 7,507 | 5,124 |
| ATAC Rotation Institutional | - | 11,626 |
| Calvert Equity - A | 7,151 | 8,688 |
| CCM Core Impact Equity Fund Advisor | 43,613 | 54,095 |
| Davenport Small Cap Focus | 20,692 | 24,267 |
| Delaware Diversified Income - A | 4,086 | 4,754 |
| Delaware Limited-Term Diversified Income | 9,127 | 9,534 |
| Delaware Mid Cap Growth - A | 7,058 | 9,733 |
| Fidelity Advisor Freedom 2040 - A | 8,224 | 10,109 |
| Fidelity Advisor Small Cap - A | 7,014 | 8,847 |
| Fidelity Advisor Strategic Income - A | 36,630 | 43,837 |
| Franklin DynaTech - A | 5,269 | 7,169 |
| Franklin Income - A-1 | 26,696 | 28,163 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | <u>Fair Value/Contract Value</u> | |
|--|----------------------------------|------------------|
| | <u>2022</u> | <u>2021</u> |
| Variable Earnings Investments (cont'd): | | |
| Franklin Rising Dividends - A | 45,402 | 50,792 |
| Franklin Total Return - A | 12,295 | 14,463 |
| Franklin Utilities - A-1 | - | 29,200 |
| Guggenheim Total Return Bond - A | 15,920 | 6,996 |
| Harbor Capital Appreciation - Inv | 23,421 | 41,101 |
| Hartford Balanced Income - A | 100,107 | 110,076 |
| Hartford Dividend and Growth - A | 46,729 | - |
| Hartford Equity Income - A | 36,071 | 43,568 |
| Invesco American Value - A | 33,217 | 34,333 |
| Invesco Diversified Dividend - A | 21,458 | 21,816 |
| Invesco Energy - A | 9,610 | 6,285 |
| Invesco Equity and Income - A | - | 7,054 |
| Invesco Global - A ** | 13,793 | 20,480 |
| Invesco Global Opportunities - A ** | 19,348 | 33,146 |
| Invesco Health Care - A | 2,544 | 2,943 |
| Invesco Main Street Mid Cap - A | 6,470 | 7,563 |
| Invesco Oppenheimer International Growth - A ** | 22 | 33 |
| Invesco Small Cap Growth - A | 33,004 | 51,244 |
| Invesco Value Opportunities - A | 5,987 | 5,914 |
| Janus Henderson Balanced Fund - A | 11,958 | 14,372 |
| Janus Henderson Growth and Income Fund - A | 28,669 | 33,500 |
| Janus Henderson Triton - A | 52,233 | 68,432 |
| John Hancock Disciplined Value - A | 41,287 | 43,319 |
| John Hancock Disciplined Value Mid Cap - A | 59,705 | 48,971 |
| John Hancock International Growth - R-2 ** | 21,247 | 26,856 |
| JP Morgan Government Bond | 11,029 | 12,542 |
| JP Morgan Small Cap Equity - A | 18,714 | 22,545 |
| JPMorgan US Equity - A | 32,830 | 40,950 |
| Parnassus Core Equity Investor | 41,494 | 50,838 |
| PIMCO All Asset - A | 12,201 | 13,852 |
| PIMCO Income - A | 116,527 | 126,523 |
| Pioneer Balanced ESG - A | 16,504 | 19,348 |
| Pioneer Fundamental Growth Fund - A | 50 | 66 |
| Pioneer Solutions Balanced - A | 10,092 | 11,430 |
| Victory Munder Multi-Cap - A | 23,611 | 29,134 |
| Virtus AlphaSimplex Managed Futures Strategy - I | 12,791 | - |
| Total Variable Earnings Investments at Kades Margolis | <u>2,136,319</u> | <u>2,563,962</u> |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|-----------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Security Benefit: Annuities | | |
| AllianceBernstein Small/Mid Cap Value | 490 | 13 |
| Allspring Small Company Value Fund | 13,419 | 15,409 |
| American Century VP Disciplined Core Value | - | - |
| American Century Heritage | 37,664 | 53,023 |
| American Century International Growth ** | 2,609 | 3,522 |
| American Century VP Balanced | 70,552 | 87,853 |
| American Century VP Mid Cap Value | 58,356 | 81,546 |
| American Century VP Ultra | 643,735 | 1,088,931 |
| American Century VP Value | 4,364,351 | 6,486,554 |
| American Century VP Growth and Income | 35,115 | 61,379 |
| American Funds Insurance Series Asset Allocation | 239,459 | 365,666 |
| American Funds Insurance Series CapWorld Bond ** | 35,707 | 46,588 |
| American Funds Insurance Series Global Growth ** | 102,660 | 183,220 |
| American Funds Insurance Series Growth - Income | 379,008 | 573,500 |
| American Funds International ** | 45,154 | 54,290 |
| American Funds New World | 125,418 | 163,223 |
| Ariel Fund | 7,129 | 8,867 |
| Baron Asset | 1,423 | 1,663 |
| BlackRock Equity Dividend V.I. | 109,844 | 115,330 |
| BlackRock Global Allocation V.I. ** | 90,075 | 103,771 |
| BlackRock High Yield V.I. | 429,703 | 726,433 |
| BNY Mellon Appreciation | 39,908 | 49,087 |
| BNY Mellon IP Mid Cap Stock | 95,154 | 117,852 |
| BNY Mellon IP Small Cap Stock | 83,863 | 117,917 |
| BNY Mellon IP Tech Growth | 558,791 | 1,297,725 |
| BNY Mellon Opportunistic Mid Cap Value | 23,608 | 26,145 |
| BNY Mellon Stock | 181,052 | 255,007 |
| BNY Mellon Sustainable U.S. Equity Portfolio | 238,421 | 315,364 |
| BNY Mellon VIF Appreciation | 1,888,594 | 3,121,120 |
| BNY Mellon VIF Opportunistic Small Cap | 169,996 | 206,630 |
| Calamos Growth | 30,846 | 46,726 |
| Calamos Growth & Income | 42,366 | 52,543 |
| ClearBridge Variable Aggressive Growth | 181,692 | 253,945 |
| ClearBridge Variable Small Cap Growth | 102,351 | 147,244 |
| Federated Hermes Corporate Bond | 12,601 | 14,825 |
| Federated Hermes Quality Bond Fund - II | 1,682 | 1,874 |
| Federated NVIT High Income Bond | 13,264 | 15,262 |

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|-----------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Fidelity Advisor Value Strategies | 6,517 | 7,186 |
| Fidelity Contrafund | 72,488 | 103,496 |
| Fidelity VIP Equity Income Portfolio | 198,641 | 256,590 |
| Fidelity VIP Growth & Income Portfolio | 252,316 | 367,686 |
| Fidelity VIP Growth Opportunities Portfolio | 2,900,177 | 5,462,476 |
| Fidelity VIP Growth Portfolio | 40,671 | 54,161 |
| Fidelity VIP High Income Portfolio | 52,384 | 83,493 |
| Fidelity VIP Overseas ** | - | 1,238 |
| Franklin Income VIP Securities | 198,055 | 237,233 |
| Franklin Mutual Global Discovery VIP | 44,414 | 47,024 |
| Franklin Small Cap Value VIP | - | 670 |
| Franklin Strategic Income VIP | 126,735 | 144,558 |
| Guggenheim Core Bond | 1,941 | 2,336 |
| Guggenheim High Yield | 11,005 | 12,595 |
| Guggenheim Large Cap Value | 37,857 | 38,762 |
| Guggenheim Mid Cap Value | 48,195 | 49,671 |
| Guggenheim StylePlus Mid Growth | 24,814 | 34,550 |
| Guggenheim VIF All Cap Value | 1,216,613 | 1,429,586 |
| Guggenheim VIF Alpha Opportunity | 2,684 | 2,969 |
| Guggenheim VIF Global Managed Futures Strategy Fund ** | 2,365 | 2,238 |
| Guggenheim VIF High Yield | 130,423 | 157,037 |
| Guggenheim VIF Large Cap Value | 791,693 | 1,396,652 |
| Guggenheim VIF Long Short Equity Fund | - | 316 |
| Guggenheim VIF Managed Asset Allocation | 576,017 | 795,885 |
| Guggenheim VIF Mid Cap Value | 1,817,815 | 2,301,750 |
| Guggenheim VIF Small Cap Value | 2,397,386 | 3,502,301 |
| Guggenheim VIF StylePlus Large Core | 179,295 | 307,653 |
| Guggenheim VIF StylePlus Large Cap Growth | 81,905 | 152,064 |
| Guggenheim VIF StylePlus Mid Cap Growth | 491,100 | 815,989 |
| Guggenheim VIF StylePlus Small Cap Growth | 21,437 | 30,917 |
| Guggenheim VIF Total Return Bond | 3,089,372 | 2,682,095 |
| Guggenheim VIF World Equity Inc ** | 110,226 | 90,556 |
| Invesco American Franchise | 1,195 | 1,762 |
| Invesco Comstock | 28,290 | 28,311 |
| Invesco Equity and Income | 17,076 | 19,595 |
| Invesco Technology | 3,648 | 6,143 |
| Invesco Oppenheimer V.I. Capital Appreciation | 20,392 | 29,859 |

STATE OF DELAWARE
403(b) PLAN

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|---|---------------------------|-----------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Invesco Oppenheimer V.I. Discovery Mid Cap Growth | 22,541 | 32,554 |
| Invesco Oppenheimer V.I. Global Fund ** | 1,804 | 642 |
| Invesco Oppenheimer V.I. Main Street Small Cap | 60,508 | 56,613 |
| Invesco Oppenheimer V.I. Total Return Bond | - | 205,335 |
| Invesco V.I. American Value | 18,060 | 18,743 |
| Invesco V.I. Comstock | 669,602 | 720,671 |
| Invesco V.I. Core Plus Bond | 174,031 | - |
| Invesco V.I. Discovery Mid Cap Growth | 125,558 | 229,127 |
| Invesco V.I. Equity and Income | 338,404 | 439,702 |
| Invesco V.I. Global Real Estate ** | 71,218 | 110,708 |
| Invesco V.I. Government Securities | 26,671 | 30,322 |
| Invesco V.I. Health Care | 772,203 | 1,022,654 |
| Invesco V.I. International Growth ** | 2,848,775 | 4,783,559 |
| Ivy VIP Asset Strategy | 3,260 | - |
| Janus Aspen Series Overseas ** | 10,163 | 11,428 |
| Janus Hend VIT Enterprise | 954,267 | 1,357,953 |
| Janus Hend VIT Research | 54,375 | 77,408 |
| Janus Overseas ** | 1,675 | 1,861 |
| JPMorgan Insurance Trust Core Bond | 3,114 | 18,437 |
| Lord Abbett Series Bond Debenture | 181 | - |
| Lord Abbett Series Developing Growth ** | 3,722 | 5,862 |
| MFS VIT II Research International ** | 15,904 | 33,927 |
| MFS VIT Total Return | 33,769 | 47,970 |
| MFS VIT Utilities | 862,242 | 961,259 |
| Morgan Stanley VIF Emerging Markets ** | 2,494 | 3,355 |
| Morningstar Balanced ETF Allocation | 4,546 | 5,912 |
| Morningstar Growth ETF Allocation | 15,802 | 18,350 |
| Morningstar Income and Growth ETF Allocation | 3,781 | 4,357 |
| Neuberger Berman AMT Mid Cap Growth | 100,865 | 144,611 |
| Neuberger Berman AMT Sustainable Equity | 830,813 | 1,228,722 |
| Neuberger Berman Large Cap Value | 14,907 | 15,284 |
| Neuberger Berman Sustainable Equity | 12,324 | 15,311 |
| NVIT Dynamic US Growth | 43,928 | 57,107 |
| NVIT Jacobs Levy Large Cap Growth | 115 | 133 |
| NVIT Multi-Manager Mid Cap Growth | 52,178 | 104,656 |
| NVIT Multi-Manager Mid Cap Value | 182,458 | 194,247 |
| NVIT Multi-Manager Small Cap Value | 2,422 | 6,690 |
| NVIT Multi-Manager Small Company | 27,381 | 34,166 |

STATE OF DELAWARE
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|---|---------------------------|------------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| NVIT Nationwide | 107,662 | 122,926 |
| NVIT Neuberger Berman Socially Responsible | 34,757 | 46,810 |
| PIMCO Emerging Markets Bond Portfolio ** | 7,220 | 9,034 |
| PIMCO International Bond-Hedged ** | 6,933 | 8,451 |
| PIMCO Real Return | 7,001 | 8,556 |
| PIMCO Total Return | 21,492 | 25,340 |
| PIMCO Total Return Portfolio | 57,225 | 71,721 |
| PIMCO VIT All Asset | 43,449 | 51,068 |
| PIMCO VIT Commodity Real Return | 951 | 18,126 |
| PIMCO VIT International Bond-Hedged ** | 641,465 | 922,046 |
| PIMCO VIT Low Duration | 39,695 | 41,137 |
| PIMCO VIT Real Return Portfolio | 190,121 | 211,698 |
| Putnam VT Small Cap Value | 475 | - |
| Royce Micro-Cap | 216,714 | 284,194 |
| Templeton Developing Markets VIP ** | - | 1,730 |
| Templeton Foreign VIP ** | 38,875 | 44,182 |
| Templeton Global Bond VIP ** | 14,636 | 15,512 |
| TRP Health Sciences | 235,652 | 325,550 |
| Victory RS Science and Technology | 26,570 | 47,478 |
| Victory RS Value | 7,074 | 8,748 |
| Western Asset Variable Global High Yield Bond | 57,765 | 68,526 |
| Total Variable Earnings Investments at Security | | |
| Benefit: Annuities | 35,572,995 | 51,249,919 |
| Security Benefit: Mutual Funds | | |
| Allspring Discovery Small Cap Growth | 76,504 | - |
| Allspring Fundamental Small Cap Growth | - | 160,753 |
| Allspring Income Plus | 14,496 | 265,480 |
| Allspring Opportunity | 21,022 | 26,782 |
| Allspring Small Company Value | 28,031 | 32,181 |
| Allspring Special Mid Cap Value | 185,337 | 280,560 |
| Allspring Special Small Cap Value | 8,863 | 10,398 |
| American Beacon Small Cap Value | - | 59,529 |
| American Century Disciplined Core Value | 1,546,684 | 2,493,364 |
| American Century Dividend Bond | 227 | 269 |
| American Century Global Small Cap | 935,491 | - |
| American Century Heritage | 41,236 | 57,989 |
| American Century International Growth ** | 458 | 625 |

STATE OF DELAWARE
403(b) PLAN

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|-----------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| American Century Select | 10,592 | 15,069 |
| American Century Sustainable Equity | 21,999 | 27,639 |
| American Century Ultra | 75 | 113 |
| American Funds American Mutual | 1,288 | 1,378 |
| American Funds EuroPacific Growth ** | 86,729 | 164,366 |
| American Funds Inflation Linked Bond | 42,570 | 49,909 |
| American Funds New World | 51,915 | 69,190 |
| American Funds Washington Mutual | 968 | 71 |
| Ariel Fund | 42,587 | 52,905 |
| Baron Asset | 135 | 186 |
| Baron Real Estate | 81,039 | 113,682 |
| BlackRock Emerging Markets ** | 7,097 | 26,281 |
| BlackRock Global Allocation ** | 135 | 164 |
| BlackRock High Yield Bond | 12,296 | 6,675 |
| BlackRock Mid-Cap Value | 4 | 4 |
| BNY Mellon Appreciation | 11,541 | 14,184 |
| BNY Mellon Dynamic Value | 13,786 | 13,528 |
| BNY Mellon Mid Cap | 67,612 | 79,613 |
| BNY Mellon Natural Resources | 2,963 | 2,388 |
| BNY Mellon Opportunistic Mid Cap Value | 12,614 | 13,828 |
| BNY Mellon S&P 500 | 1,924,400 | 2,913,484 |
| Calamos Global Equity ** | 1 | 1 |
| Calamos Growth | 32,425 | 49,053 |
| Calamos Growth & Income | 29,879 | 36,970 |
| Calamos High Income | 11,031 | 12,410 |
| Federated Hermes Corporate Bond | 148 | 9,998 |
| Fidelity Advisor Mid Cap Value | 390 | 593 |
| Fidelity Advisor New Insights | 9,414 | 13,122 |
| Fidelity Advisor Real Estate | 7,318 | 10,287 |
| Fidelity Advisor Value Strategies | 10,487 | 11,474 |
| Franklin Growth Opportunities | 9,447 | 15,136 |
| Goldman Sachs Emerging Markets Equity ** | 171 | 250 |
| Guggenheim High Yield | 12,149 | 13,503 |
| Guggenheim Large Cap Value | 20,432 | 20,901 |
| Guggenheim Risk Managed Real Estate | 362 | 590 |

STATE OF DELAWARE
403(b) PLAN

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|---|---------------------------|-----------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Guggenheim Small Cap Value | 9,117 | 9,542 |
| Guggenheim SMid Cap Value | 70,625 | 72,645 |
| Guggenheim StylePlus Mid Growth | 22,637 | 31,504 |
| Guggenheim Total Return Bond | 419,284 | 675,186 |
| Guggenheim World Equity Income ** | 7,816 | 8,689 |
| Invesco Comstock | 21,457 | 21,467 |
| Invesco Corporate Bond | 50,493 | 771,344 |
| Invesco Developing Markets ** | - | 152 |
| Invesco Equity and Income | 355 | 205 |
| Invesco Global ** | 485 | 729 |
| Invesco Global Opportunities ** | - | 1,528,710 |
| Invesco Main Street Small Cap | 883 | 1,061 |
| Invesco Opportunities Discovery | 56,647 | 79,080 |
| Invesco Technology | 8,844 | 14,869 |
| Janus Balanced | 346,432 | 563,265 |
| Janus Enterprise | 589,744 | 858,456 |
| Janus Henderson Adaptive Risk Managed US Equities | 618 | - |
| Janus Henderson US Managed Vol | - | 737 |
| Janus Triton | 405 | 538 |
| JPMorgan Equity Income | 18,127 | 23,049 |
| JPMorgan Large Cap Growth | 2,772 | 90,760 |
| JPMorgan Mid Cap Growth | 523 | 22,648 |
| JPMorgan US Small Company | - | 64 |
| Loomis Sayles Global Allocation ** | 36,826 | 89,319 |
| MFS New Discovery Value | 30,600 | - |
| Natixis U.S. Equity Opportunities | 291 | - |
| Neuberger Berman Large Cap Value | 36,685 | 37,575 |
| Neuberger Berman Sustainable Equity | 20,682 | 25,676 |
| Nuance Mid Cap Value | 13,605 | - |
| Pax High Yield Bond | - | 14,156 |
| PGIM Global Total Return ** | 52 | 68 |
| PIMCO Commodity Real Return Strategy | 154 | 145 |
| PIMCO High Yield Spectrum | 9,244 | 11,979 |
| PIMCO Income | 25,001 | 19,398 |
| PIMCO RAE Global ex-US ** | 25,840 | 29,517 |
| PIMCO RAE US Small | 12,779 | 40,254 |
| PIMCO Real Return | 614 | 677 |
| PIMCO Small Cap StocksPLUS AR | 813,644 | 1,070,970 |

STATE OF DELAWARE
403(b) PLAN

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | Fair Value/Contract Value | |
|--|---------------------------|------------|
| | 2022 | 2021 |
| Variable Earnings Investments (cont'd): | | |
| Pioneer | 207,449 | 405,960 |
| Pioneer Bond | 1,033,748 | 20,254 |
| Templeton Foreign ** | 272 | 777 |
| Templeton Global Bond ** | 8,834 | 9,728 |
| TRP Global Stock ** | 403,761 | 652,640 |
| TRP Growth Stock | 1,089,894 | 1,921,481 |
| TRP QM US Small Cap Growth Equity | 29,226 | 38,099 |
| TRP Retirement 2020 | 151,319 | 268,497 |
| TRP Retirement 2025 | - | 17,175 |
| TRP Retirement 2030 | 177,275 | 215,988 |
| TRP Retirement 2035 | 190,828 | 235,427 |
| TRP Retirement 2040 | 13,675 | 17,042 |
| TRP Retirement 2050 | - | 6 |
| TRP Retirement 2055 | 8,754 | 10,961 |
| TRP Retirement 2060 | - | 48,862 |
| Vanguard 500 Index | 95,538 | - |
| Vanguard Developed Market | 174,859 | 87,225 |
| Vanguard Emerging Market ** | 40,504 | 21,495 |
| Vanguard Mid Cap | 6,447 | 17,768 |
| Vanguard Real Estate | 30,519 | 46,108 |
| Vanguard Small Cap | 72,240 | 29,658 |
| Vanguard Total Bond Market | 53,193 | 74,413 |
| Vanguard Total International Bond ** | 187,038 | 5,093 |
| Victory RS Global ** | 94,010 | 178,776 |
| Total Variable Earnings Investments at Security Benefit: Mutual Funds | 12,117,012 | 17,584,742 |
| Voya-Omni Platform | | |
| American Funds 2010 Target Date - R-6 | 967,440 | 943,507 |
| American Funds 2015 Target Date - R-6 | 1,949,894 | 3,250,990 |
| American Funds 2020 Target Date - R-6 | 12,434,257 | 14,851,247 |
| American Funds 2025 Target Date - R-6 | 17,574,994 | 21,093,057 |
| American Funds 2030 Target Date - R-6 | 24,953,828 | 27,419,685 |
| American Funds 2035 Target Date - R-6 | 32,349,576 | 36,411,625 |
| American Funds 2040 Target Date - R-6 | 26,843,814 | 28,574,808 |
| American Funds 2045 Target Date - R-6 | 23,399,279 | 24,782,390 |
| American Funds 2050 Target Date - R-6 | 13,961,083 | 14,270,264 |
| American Funds 2055 Target Date - R-6 | 8,044,634 | 8,251,128 |

STATE OF DELAWARE
403(b) PLAN

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVESTMENTS (cont'd)

| | <u>Fair Value/Contract Value</u> | |
|---|----------------------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Variable Earnings Investments (cont'd): | | |
| American Funds 2060 Target Date - R-6 | 1,926,749 | 1,685,444 |
| American Funds 2065 Target Date - R-6 | 267,583 | 170,384 |
| American Funds Washington Mutual - R-6 | 3,061,746 | 3,230,274 |
| Champlain Mid Cap Funds - Institutional | 1,434,172 | 1,683,430 |
| JPMorgan US Small Company Fund - R-6 | 1,817,201 | 1,802,688 |
| Lazard International Equity Portfolio - R-6 ** | - | 1,068,335 |
| PIMCO Total Return Fund - Institutional Class | 1,954,980 | 1,602,868 |
| T. Rowe Price Blue Chip Growth Fund - I | 5,404,110 | 7,487,350 |
| TD Ameritrade Self-Directed Brokerage Account | 11,337,481 | 11,784,040 |
| TIAA-CREF Real Estate Securities Fund - Institutional Class | 944,862 | 1,057,923 |
| T Rowe Price Overseas Stock Fund - I ** | 1,083,794 | - |
| Vanguard Total International Stock Index Fund - Admiral ** | 4,424,966 | 4,116,170 |
| Vanguard Extended Market Index Fund - Admiral | - | 5,272,705 |
| Vanguard Extended Market Index Fund - Ins | 4,056,837 | - |
| Vanguard Institutional Index Fund - Institutional | 15,923,260 | 17,686,307 |
| Vanguard Intermediate-Term Bond Index Fund - Institutional | <u>3,431,532</u> | <u>4,074,937</u> |
| Total Variable Earnings Investments at Voya-Omni Platform | <u>219,548,072</u> | <u>242,571,556</u> |
| Great American | | |
| Great American Flex(b) | <u>2,037,294</u> | <u>2,517,736</u> |
| Total Variable Earnings Investments at Great American | <u>2,037,294</u> | <u>2,517,736</u> |
| Total Variable Earnings Investments | <u>403,691,397</u> | <u>495,899,646</u> |
| Total Investments | <u>\$472,936,573</u> | <u>\$564,253,220</u> |

* Represents investments greater than 5% of net position

** Represents investments in foreign securities

NOTE 9 SUBSEQUENT EVENTS

The Plan has evaluated subsequent events for recognition or disclosure through the date the financial statements were available to be issued.

**STATE OF DELAWARE
403(b) PLAN**

OTHER REPORT



INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

November 28, 2023

To the Plans Management Board
State of Delaware 403(b) Plan
Dover, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the State of Delaware 403(b) Plan ("the Plan"), Dover, Delaware, which comprise the statement of fiduciary net position as of December 31, 2022, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 28, 2023.

We issued a disclaimer of opinion on the financial statements due to the unavailability of complete information regarding annuity and custodial accounts issued to current and former employees prior to January 1, 2009.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting ("internal control") as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a

To the Plans Management Board
State of Delaware 403(b) Plan

combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP
Wilmington, Delaware