

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

FINANCIAL STATEMENT AUDIT
FOR YEAR ENDED DECEMBER 31, 2022

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

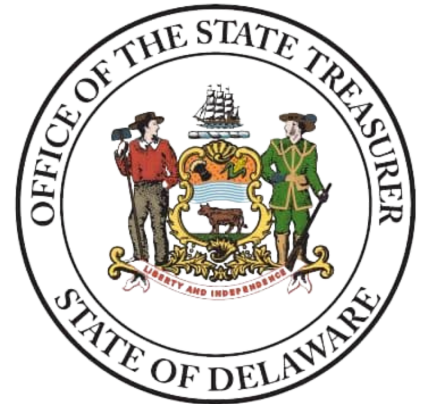
REPORT SUMMARY FOR CALENDAR YEAR ENDED DECEMBER 31, 2022

BACKGROUND

The Office of Auditor of Accounts (AOA) performed a financial statement audit of the State of Delaware Qualified Savings Tuition Plan Trust 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

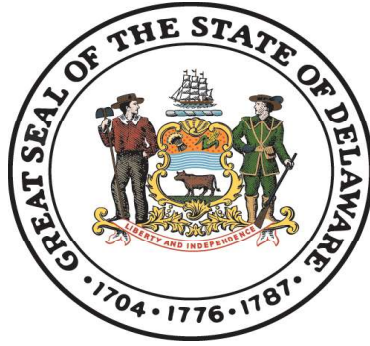
The Plan was created by the State of Delaware General Assembly under Delaware Title 14, Chapter 34, pursuant to Internal Revenue Code (IRC) Section 529 to allow residents of Delaware and other State to make contributions to accounts established for the purpose of meeting qualified education expenses designated beneficiaries of such accounts. Account owners can choose among 36 portfolios, grouped based on strategies, including aged-based, static, individual fund portfolios, and bank deposit portfolios. The objective of the audit is to provide reasonable assurance that the statements are free from material misstatement and accurately reported.

For the year ended December 31, 2022

- Approximately 6,100 individuals received distribution from the Trust
- Redemptions were \$258 million
- Fiduciary net position decreased by \$135 million primarily net investment losses of \$93 million
- Investment expenses were \$3,115,368

It Is my pleasure to report this audit contains an unmodified opinion. An unmodified opinion is sometimes referred to as a “clean” opinion. It is one in which the auditor expresses an opinion that the financial statements present fairly, in all material respects, an entity’s financial position, results of operations and cash flows in conformity with generally accepted accounting principles.

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



**DELAWARE QUALIFIED TUITION
SAVINGS PLAN TRUST**

FINANCIAL STATEMENTS

DECEMBER 31, 2022

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

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INDEPENDENT AUDITOR'S REPORT

September 14, 2023

State of Delaware Plans Management Board
Trustee of the Delaware Qualified Tuition Savings Plan Trust
Dover, Delaware

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Delaware Qualified Tuition Savings Plan Trust, Dover, Delaware, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the fiduciary net position of the Delaware Qualified Tuition Savings Plan Trust, Dover, Delaware, as of December 31, 2022 and 2021, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Delaware Qualified Tuition Savings Plan Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Delaware Qualified Tuition Savings Plan Trust'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, and for 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 Delaware Qualified Tuition Savings Plan Trust's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Delaware Qualified Tuition Savings Plan Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Delaware Qualified Tuition Savings Plan Trust's ability to continue as a going concern for a reasonable period of time.

State of Delaware Plans Management Board
Trustee of the Delaware Qualified Tuition Savings Plan Trust

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 and 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Delaware Qualified Tuition Savings Plan Trust's basic financial statements. The statement of fiduciary net position by portfolio and statement of changes in fiduciary net position by portfolio are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement of fiduciary net position by portfolio and statement of changes in fiduciary net position by portfolio are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of fiduciary net position by portfolio and statement of changes in fiduciary net position by portfolio are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2023, on our consideration of the Delaware Qualified Tuition Savings Plan Trust'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

State of Delaware Plans Management Board
Trustee of the Delaware Qualified Tuition Savings Plan Trust

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 Delaware Qualified Tuition Savings Plan Trust's internal control over financial reporting and compliance.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP
Wilmington, Delaware

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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

Financial Highlights

- Fiduciary net position decreased by \$135 million during 2022 from \$749 million at December 31, 2021 to \$614 million at December 31, 2022. This decrease was primarily due to net investment losses of \$93 million. Fiduciary net position increased by \$19 million during 2021 from \$730 million at December 31, 2020 to \$749 million at December 31, 2021. This increase was primarily due to a net investment income of \$53 million.
- Subscriptions were \$217 million, \$119 million, and \$120 million for the years ended December 31, 2022, 2021, and 2020, respectively. The increase in 2022 is primarily due to the transfer of assets between funds to the closing of the 2021 target-date funds.
- Net investment income decreased to a loss of \$93 million in 2022 from a gain of \$53 million in 2021. Net investment income was a gain of \$69 million in 2020. Fluctuations in income are primarily due to fluctuations in the financial market from year to year.
- Redemptions were \$258 million, \$153 million, and \$145 million for the years ended December 31, 2022, 2021, and 2020, respectively. The increase in 2022 is primarily due to the transfer of assets between funds due to the closing of the 2021 target-date funds. Fluctuations in the amount of redemptions from year to year are otherwise due to changes in the number of participants and beneficiaries receiving eligible distributions as well as the size of their account balances. There were approximately 6,100, 6,000, and 5,300 individuals who received a distribution from the Trust during the years ended December 31, 2022, 2021, and 2020, respectively.
- Investment expenses were \$3,115,368, \$3,772,644, and \$3,574,564 for the years ended December 31, 2022, 2021, and 2020, respectively. Fluctuations generally relate to fluctuations in investment balances since fees are charged as a percentage of assets.

Overview of the Financial Statements

This financial report consists of the statement of fiduciary net position and the statement of changes in fiduciary net position. These statements provide information about the financial position and activities of the Trust as a whole. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

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

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
DECEMBER 31, 2022

Table 1
Fiduciary Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Assets	\$ 620,008,079	\$ 757,474,459	\$ 737,647,934
Total Liabilities	<u>5,954,830</u>	<u>8,720,558</u>	<u>7,873,847</u>
Net Position	<u>\$ 614,053,249</u>	<u>\$ 748,753,901</u>	<u>\$ 729,774,087</u>

Investments make up more than 99% of total net position and consist of 36 investment portfolios in 2022, 2021, and 2020, each of which is invested in one or more underlying mutual funds. During 2022, the 2021 target date funds and money market portfolio were closed, and the 2042 target date funds and stable value fund were opened. Net position represents cumulative contributions from participants plus net increases/decreases from investment earnings less redemptions and expenses. Liabilities consist of payables for securities purchased, payables for reinvestment of net investment income, and payables for accrued expenses.

Table 2
Changes in Fiduciary Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Additions	\$ 124,164,302	\$ 172,800,148	\$ 189,692,562
Total Deductions	<u>258,864,954</u>	<u>153,820,334</u>	<u>145,839,139</u>
Change in Net Position	<u>\$(134,700,652)</u>	<u>\$ 18,979,814</u>	<u>\$ 43,853,423</u>

Financial Contact

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

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENTS OF FIDUCIARY NET POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash	\$ 1,403,064	\$ 1,422,907
Investments at fair value	612,892,577	747,649,460
Receivable:		
Capital shares	535,989	810,055
Securities sold	4,431,952	7,204,286
Accrued dividends	744,497	387,751
	5,712,438	8,402,092
TOTAL ASSETS	620,008,079	757,474,459
 LIABILITIES		
Capital shares payable	950,990	1,164,737
Securities purchased payable	4,760,898	7,238,803
Administrative and management fee payable	242,942	317,018
TOTAL LIABILITIES	5,954,830	8,720,558
 NET POSITION	\$ 614,053,249	\$ 748,753,901

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

**DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ADDITIONS		
Subscriptions	<u>\$ 217,226,013</u>	<u>\$ 119,436,030</u>
Investment income (loss):		
Net increase (decrease) in fair value of investments	(114,658,372)	24,425,765
Interest and dividends	24,396,919	32,395,887
Less: investments expenses	<u>(3,115,368)</u>	<u>(3,772,644)</u>
Total Investment Income (Loss)	<u>(93,376,821)</u>	<u>53,049,008</u>
Other income	<u>315,110</u>	<u>315,110</u>
TOTAL ADDITIONS	<u>124,164,302</u>	<u>172,800,148</u>
 DEDUCTIONS		
Redemptions	258,530,001	153,453,617
Administrative expenses	<u>334,953</u>	<u>366,717</u>
TOTAL DEDUCTIONS	<u>258,864,954</u>	<u>153,820,334</u>
 CHANGE IN FIDUCIARY NET POSITION	 (134,700,652)	 18,979,814
 NET POSITION BEGINNING OF YEAR	 <u>748,753,901</u>	 <u>729,774,087</u>
 NET POSITION END OF YEAR	 <u>\$ 614,053,249</u>	 <u>\$ 748,753,901</u>

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

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

General

The following description of the Delaware Qualified Tuition Savings Plan Trust (the Trust) provides only general information. Participants should refer to the Plan Fact Kit found at <https://www.fidelity.com/go/529-delaware/overview> and may also find additional information and details at <https://treasurer.delaware.gov/education-savings-plan/>.

The Trust was established on April 16, 1998 and restated on March 6, 2018 by the Delaware Qualified Tuition Savings Board (subsequently changed to the Plans Management Board (the Board)), as trustees, to carry out the purposes of the DE529 Education Savings Plan (the Plan). The Plan was created by the State of Delaware General Assembly under State of Delaware Title 14, Chapter 34, pursuant to Internal Revenue Code (IRC) Section 529 to allow residents of Delaware and other states to make contributions to accounts established for the purpose of meeting qualified education expenses of designated beneficiaries of such accounts. The Board serves as a trustee of the Trust, administers the Plan, and is authorized to establish investment policies, select investment managers and the program manager, adopts regulations, and provides for the performance of other functions necessary for the operation of the Plan. The Board is composed of 11 members, including the State Treasurer, Secretary of Finance, Director of Office of Management and Budget, Insurance Commissioner, Secretary of Education, two state employees designated by the Governor, and four public members.

Account owners can choose among 36 portfolios, grouped based on strategies, including age-based, static, individual fund portfolios, and a bank deposit portfolio. Age-based portfolios are designed considering a beneficiary's year of birth and the approximate year the beneficiary is anticipated to start college. Static portfolios have investment objectives with corresponding target class allocations that do not change over time. Individual fund portfolios have the same investment objective as the underlying mutual fund in which they invest. The bank deposit portfolio seeks the preservation of principal.

These financial statements provide the combined financial results of the Fidelity-designed investment options (Portfolios) offered to account owners under the Plan. The supplemental information provides the financial results of the individual Portfolios.

Plan assets are held for the benefit of account owners and their designated beneficiaries in the Trust.

Plan Administration

Fidelity Management and Research Company LLC and Fidelity Brokerage Services LLC (the Program Managers) and the Board have entered into a management and administrative services agreement in which the Program Managers will provide services, including investment management services, in order to meet the administrative and investment obligations of the Trust.

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES BASIS OF ACCOUNTING

The Plan prepares its financial statements in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). The Plan's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America applicable to special-purpose governments engaged in fiduciary activities. Under this method of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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

Investment portfolios are reported at fair value. Fair value is the price that should be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The portfolios are crafted as investment pools with individual underlying investment allocations based on the strategy of the portfolio.

Investments in the underlying investments are valued each business day at the closing net asset value per share of each underlying investment determined as of the close of the New York Stock Exchange on the day of valuation except for the Stable Value Admin Pool. Net realized and unrealized gains and losses are reported as net appreciation or depreciation in fair value of investments in the statement of changes in fiduciary net position. Purchases and sales of underlying investment shares are recorded on a trade date basis. Dividend income and any capital gain distributions are recorded on the ex-dividend date as an accrual and are automatically reinvested in additional shares of the respective underlying investment. Investments in the Stable Value Admin Pool are marked to market daily using a model that considers recent bids as determined by recognized dealers, discount rate, crediting rate, yield to maturity, and the duration of underlying portfolio securities.

Cash

Cash represents amounts deposited into a PNC Bank account used to pay trust expenses.

Subscriptions and Redemptions

Subscriptions on the statement of changes in fiduciary net position include any contributions to the Trust made by account owners and any exchanges within the Trust that result in a reinvestment of assets. Redemptions on the statement of changes in fiduciary net position

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

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

include any withdrawals from the Trust made by account owners and any exchanges within the Trust that result in a reinvestment of assets.

Individuals that have properly executed a participation agreement with the Plan may establish an account to which cash contributions may be made, subject to certain account balance limitations. Account owners may elect to invest their contributions in one or more portfolios, including age-based portfolios, target risk portfolios, individual portfolios, and an interest-bearing deposit account. The age-based portfolios allow account owners to choose a predetermined investment strategy based on the beneficiary's expected date of college enrollment. Over time, assets will transition from a heavier weight in equities in earlier years to more conservative investments in fixed-income securities and cash as the beneficiary approaches college enrollment. The target risk portfolios seek to meet a specific investment goal and risk tolerance. The risk profile of each target risk portfolio will be fixed over time. The individual portfolios are structured for exposure to a single type of asset class.

In addition to the various portfolios, account owners investing in age-based portfolios and target risk portfolios must select whether their portfolios will invest in Fidelity Funds, Fidelity Index Funds, and/or Fidelity Blend Funds. Fidelity Funds invest in a variety of equity, fixed income, or money market funds that coincide with the portfolio's investment objective. Index mutual funds invest in stocks or bonds that make a portfolio constructed to match or track the components of a financial market index. Fidelity Blend Funds invest in a combination of investments that coincide with the portfolio's investment objective and investments that match or track the components of a financial market index. The Fidelity Blend Funds option is only available for age-based portfolios, while the Fidelity Funds and Fidelity Index Funds are available for both age-based portfolios and target risk portfolios.

Contributions by a participant are evidenced through the issuance of units in a particular portfolio. Although money contributed to the Plan is invested in portfolio options that hold mutual funds, the Plan units themselves are not direct investments in the mutual funds. The units issued by the Trust are not insured by the Federal Deposit Insurance Corporation (FDIC), Fidelity, or the State of Delaware, nor have they been registered with the Securities and Exchange Commission or any state commission. Although the account owners can direct the portfolio options in which their contributions are invested, they cannot direct the selection or allocation of the underlying investments comprising each portfolio option.

Unit Valuation

Each account owner's full and/or fractional interest in a portfolio option is evidenced by a unit. The net position value of a unit in a portfolio option is calculated daily based on the fair market value of the underlying investments, adjusted for the effects of such transactions as accrued administrative fees, contributions and withdrawal requests that have been approved but have not yet been processed, and investment income that has not been reinvested in the underlying investments. The value of any individual account is determined by multiplying the number of

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

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

units in a portfolio attributable to that account holder by the net position value per unit of that portfolio.

State of Delaware Title 14, Chapter 34, Subchapter 12 charges the Board with implementing and maintaining the Plan. The Board has entered into a management and services agreement with Fidelity Management and Research Company LLC and Fidelity Brokerage Services LLC to provide administration, marketing services, and management services for the Plan.

NOTE 3 INVESTMENTS

The underlying investment allocations as of December 31, 2022, were as follows:

	Units	Value
Fidelity Series All-Sector Equity Fund	214,898	\$ 1,876,060
Fidelity Series Blue Chip Growth Fund	568,652	5,675,147
Fidelity Series Commodity Strategy Fund	26,207	2,760,645
Fidelity Series Growth Company Fund	669,143	9,214,099
Fidelity Series Intrinsic Opportunities Fund	248,550	2,863,296
Fidelity Series Large Cap Stock Fund	572,705	9,466,814
Fidelity Series Large Cap Value Index Fund	266,957	3,681,337
Fidelity Series Opportunistic Insights Fund	389,865	5,578,968
Fidelity Series Small Cap Discovery Fund	88,283	873,119
Fidelity Series Small Cap Opportunities Fund	264,739	3,089,504
Fidelity Series Stock Selector Large Cap Value Fund	528,221	6,285,830
Fidelity Series Value Discovery Fund	376,099	5,551,221
Fidelity Series Canada Fund	334,525	4,392,313
Fidelity Series Emerging Markets Fund	346,611	2,682,769
Fidelity Series Emerging Markets Opportunities Fund	1,546,807	24,161,125
Fidelity Series International Growth Fund	774,862	11,049,532
Fidelity Series International Index Fund	18,816	192,864
Fidelity Series International Small Cap Fund	204,051	3,028,117
Fidelity Series International Value Fund	1,098,425	11,017,203
Fidelity Series Overseas Fund	1,015,297	11,026,125
Fidelity Series 0-5 Year Inflation-Protected Bond Index Fund	8,389,812	77,857,455
Fidelity Series 5+ Year Inflation-Protected Bond Index Fund	1,057,893	8,145,776
Fidelity Series Emerging Markets Debt Fund	242,721	1,781,572
Fidelity Series Emerging Markets Debt Local Currency Fund	67,965	590,616
Fidelity Series Floating Rate High Income Fund	40,503	355,616
Fidelity Series High Income Fund	228,450	1,841,307
Fidelity Series International Developed Markets Bond Index Fund	2,070,625	17,413,956

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 INVESTMENTS (cont'd)

	Units	Value
Fidelity Series Investment Grade Bond Fund	9,344,897	92,047,235
Fidelity Series Long-Term Treasury Bond Index Fund	3,464,156	20,299,954
Fidelity Series Real Estate Income Fund	89,635	846,154
Fidelity Series Government Money Market Fund	40,420,575	40,420,575
Fidelity Series Short-Term Credit Fund	970,537	9,268,628
Fidelity Series Bond Index Fund	4,028,987	35,737,115
Fidelity Series Total Market Index Fund	3,016,516	38,098,597
Fidelity Series Global ex U.S. Index Fund	2,044,472	25,249,229
Fidelity Series Treasury Bill Index Fund	1,343,922	13,372,024
Fidelity Series Large Cap Growth Index Fund	30,919	418,334
Fidelity Series Corporate Bond Fund	61,756	550,246
Fidelity Series Government Bond Index Fund	89,042	812,063
Fidelity Series Investment Grade Securitized Fund	65,652	582,990
Fidelity Series Small Capital Core Fund	149	1,459
Intermediate Treasury Bond Index Fund	388,375	3,720,633
Fidelity Global ex U.S. Index Fund	504,449	6,330,835
Fidelity 500 Index Fund	330,975	44,059,392
Fidelity Total Market Index Fund	181,716	19,258,262
Wells Fargo Bank FDIC Insured Deposit Account	29,366,466	29,366,466
		<u>\$612,892,577</u>

The underlying investment allocations as of December 31, 2021, were as follows:

	Units	Value
Fidelity 500 Index	299,314	\$ 49,486,191
Fidelity Cash Reserves	15,887,491	15,887,491
Fidelity Global EX U.S.	2,001,643	30,144,744
Fidelity Intermediate Treasury	358,737	4,003,518
Fidelity Total Market Index	2,828,290	45,139,508
Fidelity Series All-Sector Equity	240,460	2,861,474
Fidelity Series Blue Chip Growth	308,050	5,067,423
Fidelity Series Bond Index Fund	4,353,866	45,367,284
Fidelity Series Canada	399,979	5,811,695
Fidelity Series Commodity Strategy	2,140,454	8,754,457
Fidelity Series Corporate Bond	48,071	529,262
Fidelity Series Emerging Markets	335,641	3,527,587
Fidelity Series Emerging Markets Debt	248,771	2,256,353
Fidelity Series Emerging Markets Debt Local Currency	79,873	754,001
Fidelity Series Emerging Markets Opportunity	1,534,398	32,253,046

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 INVESTMENTS (cont'd)

	<u>Units</u>	<u>Value</u>
Fidelity Series Floating Rate High Income	48,554	449,610
Fidelity Series Global EX U.S. Index	466,868	7,142,012
Fidelity Series Government Bond Index	66,640	705,051
Fidelity Series Growth Company	558,982	11,408,823
Fidelity Series High Income	289,802	2,764,711
Fidelity Series Inflation-Protected Bond	2,176,786	23,030,396
Fidelity Series International Growth	778,069	14,876,679
Fidelity Series International Index	14,211	174,085
Fidelity Series International Small Cap	211,956	4,533,739
Fidelity Series International Value	1,332,663	14,885,842
Fidelity Series Intrinsic Opportunities	596,905	11,782,905
Fidelity Series Investment Grade Bond	10,453,083	121,464,824
Fidelity Series Investment Grade Securitized	50,638	521,065
Fidelity Series 0-5 Year Inflation-Protected Bond Index	4,837,499	48,616,865
Fidelity Series Large Cap Growth Index	19,123	370,030
Fidelity Series Large Cap Stock	531,942	10,671,279
Fidelity Series Large Cap Value Index	294,146	4,576,912
Fidelity Series Long-Term Treasury Bond	2,101,684	17,906,348
Fidelity Series Opportunistic Insights	284,304	5,896,465
Fidelity Series Overseas	1,032,995	14,875,128
Fidelity Series Real Estate Income	141,584	1,660,780
Fidelity Series Short-Term Credit	1,731,817	17,352,806
Fidelity Series Small Cap Discovery	90,190	1,285,208
Fidelity Series Small Cap Opportunities	298,579	4,454,799
Fidelity Series Stock Selector Large Cap Value	620,161	8,719,464
Fidelity Series Total Market Index	174,466	23,343,662
Fidelity Series Treasury Bill Index	2,033,532	20,335,320
Fidelity Series Value Discovery	421,384	6,982,333
Fidelity Series 5+ Year Inflation-Protected Bond Index	745,899	7,555,957
Fidelity Series International Developed Markets Bond	1,064,187	10,460,958
Fidelity Series Government Money Market	65,576,201	65,576,201
Wells Fargo Bank FDIC Insured Deposit Account	11,425,169	11,425,169
		<u>\$747,649,460</u>

NOTE 4 FAIR VALUE MEASUREMENT

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 FAIR VALUE MEASUREMENT (cont'd)

lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Underlying Registered Investment Companies of the Portfolios

Underlying registered investment companies of the Portfolios are valued at the daily closing price as reported by the fund. Mutual funds held in each portfolio are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds are deemed to be actively traded. The Portfolios are Level 2 investments comprised of mutual funds quoted in active markets as enumerated below. Those values constitute the significant other observable inputs at which the Portfolios are valued.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 FAIR VALUE MEASUREMENT (cont'd)

The following table sets forth by level, within the fair value hierarchy, the Trust's assets at fair value as of December 31:

	December 31, 2022			Totals
	Level 1	Level 2	Level 3	
Registered investment companies	\$557,054,674	\$ -	\$ -	\$557,054,674
Money market funds	40,420,575	-	-	40,420,575
Stable value admin pool	-	15,417,328	-	15,417,328
Total Investments, at Fair Value	\$597,475,249	\$15,417,328	\$ -	\$612,892,577

	December 31, 2021			Totals
	Level 1	Level 2	Level 3	
Registered investment companies	\$682,073,259	\$ -	\$ -	\$682,073,259
Money market funds	65,576,201	-	-	65,576,201
Total Investments, at Fair Value	\$747,649,460	\$ -	\$ -	\$747,649,460

NOTE 5 INVESTMENT RISK

The Stable Value Portfolio wholly owns the Stable Value Admin Pool. The following wrap contracts were held by the Stable Value Admin pool at December 31, 2022. All contracts reflect annual net effective yields at period end. Crediting rates are generally adjusted periodically and thus tied to the performance of the underlying assets. Wrap contract providers agree to wrap a pro-rata percentage of the Stable Value Admin Pool.

	S&P Ratings	Investments at Fair Value	Wrapper Contracts at Value	Contract Value
Synthetic Guaranteed Investment Contracts:				
Transamerica Premier Life	A+	\$ 3,620,889	\$ 124,012	\$ 3,744,901
Pacific Life Insurance Company	AA-	3,653,623	125,134	3,778,757
Prudential Insurance Company of America	AA-	3,653,624	125,133	3,778,757
State Street Bank & Trust Company	AA-	3,620,891	124,012	3,744,903
Wrapped Portfolio: Fidelity Education Income Fund	AA-	14,549,027	498,291	15,047,318
Fidelity Series Government Money Market Fund		370,010	-	370,010
Total		\$14,919,037	\$ 498,291	\$15,417,328

The contract value above is representative of the volume of trading during the year.

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

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 INVESTMENT RISK (cont'd)

possible that changes in the value 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

Certain underlying investments invest in bonds issued by corporations and the U.S. government and its agencies and instrumentalities. The Plan may be indirectly exposed to credit risk, which is the risk that a bond issuer will fail to pay interest and principal when due as a result of adverse market or economic conditions. The underlying investments in which the Trust invests are not rated as to credit quality by a nationally recognized statistical rating organization. The synthetic guaranteed investment contracts are guaranteed by the issuing insurance company. The Plan may be exposed to credit risk if the insurance company is unable to fulfill its obligations.

Concentration of Credit Risk

This is the risk of loss attributed to a portfolio being exposed to securities of a single country, region, industry, structure, or size. Its performance may be unduly affected by factors common to the type of securities included.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the applicable portfolios using the effective duration methodology, which is widely used in the management of fixed income portfolios because it quantifies, to a much greater degree, the risk of interest rate changes. As of December 31, 2022, the underlying mutual funds exposed to interest rate risk were as follows:

	<u>Value</u>	<u>Average Duration</u>
Fidelity Intermediate Treasury Bond Index Fund	\$ 3,720,633	6.24 years
Fidelity Series Bond Index Fund	35,737,115	6.13 years
Fidelity Series Corporate Bond	550,246	6.91 years
Fidelity Series Emerging Markets Debt	1,781,572	6.66 years
Fidelity Series Emerging Markets Debt Local Currency	590,616	4.63 years
Fidelity Series Floating Rate High Income	355,616	0.26 years
Fidelity Series Government Bond Index	812,063	5.91 years
Fidelity Series High Income	1,841,307	4.07 years
Fidelity Series Investment Grade Bond	92,047,235	6.09 years
Fidelity Series Investment Grade Securitized	582,990	5.88 years
Fidelity Series Long-Term Treasury Bond	<u>20,299,954</u>	16.24 years
	<u>\$ 158,319,347</u>	

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 INVESTMENT RISK (cont'd)

As of December 31, 2021, the underlying mutual funds exposed to interest rate risk were as follows:

	<u>Value</u>	<u>Average Duration</u>
Fidelity Intermediate Treasury Bond	\$ 4,003,518	6.45 years
Fidelity Series Bond Index Fund	45,367,284	6.35 years
Fidelity Series Corporate Bond	529,262	7.27 years
Fidelity Series Emerging Markets Debt	2,556,353	5.54 years
Fidelity Series Emerging Markets Debt Local Currency	754,001	4.60 years
Fidelity Series Floating Rate High Income	449,610	0.24 years
Fidelity Series Government Bond Index	705,051	6.25 years
Fidelity Series High Income	2,764,711	4.25 years
Fidelity Series Inflation-Protected Bond	23,030,396	6.98 years
Fidelity Series International Developed Markets Bond	10,460,958	8.49 years
Fidelity Series Investment Grade Bond	121,464,824	6.32 years
Fidelity Series Investment Grade Securitized	521,065	5.69 years
Fidelity Series Long-Term Treasury Bond	17,906,348	17.19 years
Fidelity Series Real Estate Income	1,660,780	2.78 years
Fidelity Series Short-Term Credit Bond	17,352,806	1.75 years
Fidelity Series Treasury Bill Index	20,335,320	0.27 years
	<u>\$269,862,287</u>	

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure, the portfolios' deposits and investments may not be returned. The portfolios' investments consist of shares in the underlying investments rather than individual securities and, therefore, are not exposed to custodial credit risk. The Trust's cash balance held by PNC Bank was insured by the FDIC up to \$250,000 as of December 31, 2022 and 2021. The uninsured balance of cash as of December 31, 2022 and 2021, was \$1,153,064 and \$1,172,907, respectively.

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.

Foreign Currency Risk

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The portfolios do not have any direct investment in foreign securities. Certain portfolios allocate assets to underlying mutual funds that are exposed to foreign currency risk. As of

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 INVESTMENT RISK (cont'd)

December 31, 2022, the value of investments in underlying mutual funds that invest in foreign denominated investments were as follows:

	<u>Value</u>
Fidelity Series Canada Fund	\$ 4,392,313
Fidelity Series Emerging Markets Fund	2,682,769
Fidelity Series Emerging Markets Opportunities Fund	24,161,125
Fidelity Series International Growth Fund	11,049,532
Fidelity Series International Index Fund	192,864
Fidelity Series International Small Cap Fund	3,028,117
Fidelity Series International Value Fund	11,017,203
Fidelity Series Overseas Fund	11,026,125
Fidelity Series Emerging Markets Debt Fund	1,781,572
Fidelity Series Emerging Markets Debt Local Currency Fund	590,616
Fidelity Series International Developed Markets Bond Index Fund	17,413,956
Fidelity Series Global ex U.S. Index Fund	25,249,229
Fidelity Global ex U.S. Index Fund	6,330,835
	<u>\$118,916,256</u>

As of December 31, 2021, the value of investments in underlying mutual funds that invest in foreign denominated investments were as follows:

	<u>Value</u>
Fidelity Global EX U.S.	\$ 30,144,744
Fidelity Series Canada	5,811,695
Fidelity Series Emerging Markets	3,527,587
Fidelity Series Emerging Markets Debt	2,256,353
Fidelity Series Emerging Markets Debt Local Currency	754,001
Fidelity Series Emerging Markets Opportunity	32,253,046
Fidelity Series Global EX U.S. Index Fund	30,144,744
Fidelity Global EX U.S. Index Fund	7,142,012
Fidelity Series International Growth	14,876,679
Fidelity Series International Index	174,085
Fidelity Series International Small Cap	4,533,739
Fidelity Series International Value	14,885,846
Fidelity Series Overseas	14,875,128
	<u>\$161,379,659</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 FEES AND EXPENSES

The Trustee has entered into a management and administrative services agreement with Fidelity Brokerage Services LLC (FBS) to provide administrative, recordkeeping, distribution, and marketing services to the Trust. According to this agreement and a related investment advisory agreement with Fidelity Management & Research Company LLC (FMRCo), an investment adviser registered under the Investment Advisers Act of 1940 that provides investment management services to the Trust, a management and administration fee is charged to the Portfolios at an annual rate based on the net assets of each Portfolio. The management and administration fee has up to four components: a program manager fee that is paid to FMRCo, a bank administration fee that is paid to FBS, a fee that is paid to the Trustee (a state fee), and a portfolio management fee that is paid to FMRCo.

For Fidelity Fund portfolios that invest in underlying actively managed funds, the program manager fee is charged at an annual rate of .12% and .15% for 2022 and 2021, respectively. For Fidelity Index Portfolios that invest in underlying index funds, the program manager fee is charged at an annual rate of .08% for each year. For Fidelity Blend Portfolios that invest in a combination of actively managed funds and index funds, the program manager fee is charged at an annual rate of .08% and .10% for 2022 and 2021, respectively. For the Delaware Bank Deposit Portfolio, the program manager fee is charged at an annual rate ranging from .00% to .05%, depending on the daily federal funds target rate. For the Stable Value Portfolio, the program manager fee is charged at an annual rate of .07%.

The bank administration fee paid to Fidelity for its administration services in connection with the Delaware Bank Deposit Portfolio is charged at an annual rate ranging from .00% to .40% for each year, depending on the daily federal funds target rate. The bank administration fee is charged only to the Bank Deposit Portfolio.

For Fidelity Fund Portfolios that invest in underlying actively managed funds, the state fee is charged at an annual rate of .05% for each year. For Fidelity Index Portfolios that invest in underlying index funds, the state fee is charged at an annual rate of .01% for each year. For Fidelity Blend Portfolios that invest in a combination of actively managed funds and index funds, the state fee is charged at an annual rate of .04% for each year. For the Delaware Bank Deposit Portfolio, the state fee is charged at an annual rate of .05% for each year. For the Stable Value Portfolio, the state fee is charged at an annual rate of .01% for 2022.

For Fidelity Fund Portfolios that invest in underlying actively managed funds, the portfolio management fee ranges from .43% to .69% for 2022 and .30% to 7.9% for 2021. For Fidelity Index Portfolios that invest in underlying index funds, the portfolio management fee ranges from .02% to .05% for each year. For Fidelity Blend Portfolios that invest in a combination of actively managed funds and index funds, the portfolio management fee ranges from .28% to .49% for each year. The portfolio management fee for age-based Fidelity Fund Portfolios and Fidelity Blend Portfolios is reduced annually until the portfolio's asset allocation aligns and merges with the college portfolio.

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 WRAP CONTRACTS

A wrap contract is an agreement by another party, such as a bank or insurance company, to make payments to a portfolio in certain circumstances. Wrap contracts are designed to help preserve principal while providing a consistent, positive return for participants and to protect a portfolio in extreme circumstances, such as volatility in the market that would negatively affect the fair value of the underlying asset. In a typical wrap contract, the wrap issuer agrees to pay a portfolio the difference between the contract value and the market value of the underlying assets once the market value has been totally exhausted. This could happen if a portfolio experiences significant redemptions (redemption of most of a portfolio's units) during a time when the market value of a portfolio's underlying assets is below contract value, and market value is ultimately reduced to zero. If that occurs, the wrap issuer agrees to pay a portfolio an amount sufficient to cover unitholder redemptions and certain other payments, such as portfolio expenses, provided all the terms of the wrap contract have been met. Purchasing wrap contracts is similar to buying insurance, in that a portfolio pays a relatively small amount to protect against a relatively unlikely event (the redemption of most of the shares of a portfolio). Fees the Stable Value Portfolio pays for wrap contracts are offset against interest income on the Statement of Operations.

In selecting wrap issuers, FMRCo analyzes the proposed terms of the wrap contract and the credit quality of the wrap issuer. Other factors, including the availability of wrap contracts under certain market or competitive conditions, may affect the number of wrap issuers and the terms of the wrap contracts held by the Stable Value Portfolio. The Stable Value Portfolio may agree to additional limitations on its investments as a condition of the wrap contracts. These may include maximum duration limits, minimum credit standards, and diversification requirements. In addition, a wrap issuer may require that the Stable Value Portfolio invest entirely in cash or cash equivalents under certain conditions. Generally, as long as the Stable Value Portfolio is in compliance with the conditions of its wrap contracts, it may buy and sell underlying assets without impacting the contract value of the underlying assets.

FMRCo normally purchases wrap contracts from issuers rated in the top long-term rating categories (A- or the equivalent and above) by any one of the nationally recognized statistical rating organizations. FMRCo normally intends to enter into wrap contracts with multiple parties but may have a single wrap issuer for all of the Stable Value Portfolio's underlying assets. FMRCo may terminate and replace wrap contracts under various circumstances, including when there is a default by the wrap issuer.

FMRCo purchases wrap contracts for the Stable Value Portfolio with the aim of maintaining the contract value of the Stable Value Portfolio's underlying assets, as contract value is the amount that the participants transact at. FMRCo invests the Stable Value Portfolio's assets consistent with the terms of the wrap contracts. As a target, FMRCo expects a substantial percentage (up to 99%) of the Stable Value Portfolio's assets to be underlying the wrap contracts, although FMRCo may change this target from time to time based on factors, such as the availability of capacity under the Stable Value Portfolio's wrap contracts or the availability of wrap contract capacity

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 WRAP CONTRACTS (cont'd)

generally within the market for such instruments. Assets not underlying the wrap contracts will generally be invested in money market instruments and cash equivalents to help the Stable Value Portfolio maintain a stable NAV and to provide necessary liquidity for unitholder withdrawals and exchanges.

Wrap contracts accrue interest using a formula called the "crediting rate." Wrap contracts use the crediting rate formula to convert market value changes in the underlying assets into income distributions in order to minimize the difference between the market and contract value of the underlying assets over time. Using the crediting rate formula, an estimated future market value is calculated by compounding a portfolio's current market value at such portfolio's current yield to maturity for a period equal to such portfolio's duration. The crediting rate is the discount rate that equates that estimated future market value with such portfolio's current contract value.

Crediting rates are reset monthly. The wrap contracts provide a guarantee that the crediting rate will not fall below 0%. The crediting rate, and hence a portfolio's return, may be affected by many factors, including purchases and redemptions by unitholders. The impact depends on whether the market value of the underlying assets is higher or lower than the contract value of those assets. If the market value of underlying assets is higher than their contract value, the crediting rate will ordinarily be higher than the yield of the underlying assets. Under these circumstances, cash from new investors will tend to lower the crediting rate and a portfolio's return, and redemptions by existing unitholders will tend to increase the crediting rate and a portfolio's return.

If the market value of underlying assets is lower than their contract value, the crediting rate will ordinarily be lower than the yield of the underlying assets. When the market value is lower than the contract value, a portfolio will have, for example, less than \$10 in cash and bonds for every \$10 in net assets available for benefits. Under these circumstances, cash from new investors will tend to increase the market value attributed to the underlying assets and to increase the crediting rate and a portfolio's return. Redemptions by existing unitholders will have the opposite effect, and will tend to reduce the market value attributed to the underlying assets and to reduce the crediting rate and a portfolio's return. Generally, the market value of underlying assets will tend to be higher than contract value after interest rates have fallen due to higher bond prices. Conversely, the market value of underlying assets will tend to be lower than their contract value after interest rates have risen due to lower bond prices.

If a portfolio experiences significant redemptions when the market value is below the contract value, a portfolio's yield may be reduced significantly, to a level that is not competitive with other investment options. This may result in additional redemptions, which would tend to lower the crediting rate further. If redemptions continued, a portfolio's yield could be reduced to zero. If redemptions continued thereafter, a portfolio might have insufficient assets to meet redemption requests, at which point a portfolio would require payments from the wrap issuer to pay further unitholder redemptions.

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 WRAP CONTRACTS (cont'd)

The table below summarizes the type, fair value, unrealized gains, unrealized losses, and change in net unrealized appreciation (depreciation) on the wrap contracts during the period, as presented in the Statement of Changes in Fiduciary Net Position.

	<u>Fair Value</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Change in Net Unrealized Appreciation (Depreciation)</u>
Wrap contracts	\$ 498,291	\$ 489,291	\$ -	\$ 498,291

NOTE 8 RELATED-PARTY TRANSACTIONS

Two State of Delaware employees and four members of the public are required to serve on the Plans Management Board.

Employees of the State of Delaware, Office of State Treasurer, and Plans Management Board may participate in the Plan.

NOTE 9 INCOME TAXES

The Plan has been designed to comply with the requirements for treatment as a qualified tuition program under Section 529 of the IRC and is exempt from federal and state income tax. Therefore, no provision for income tax is required.

Account owners may request withdrawals for qualified or nonqualified expenses. It is the responsibility of the account owner to determine whether the withdrawal is for qualified or nonqualified purposes and to calculate the applicable amount of federal or state tax, or penalties for withdrawals, if any.

NOTE 10 SUBSEQUENT EVENTS

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

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
SUPPLEMENTARY INFORMATION

**DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Age-Based Fidelity Funds Portfolios				
	Delaware College Portfolio	Delaware Portfolio 2021	Delaware Portfolio 2024	Delaware Portfolio 2027	Delaware Portfolio 2030
ASSETS					
Cash	-	-	-	-	-
Investments at fair value	\$ 153,863,058	\$ -	\$ 72,244,158	\$ 36,788,571	\$ 23,541,121
Receivable:					
Capital shares	79,798	-	33,505	16,733	3,805
Securities sold	1,136,994	-	457,408	297,578	205,120
Accrued dividends	268,548	-	120,794	52,121	26,750
Total Receivables	<u>1,485,340</u>	<u>-</u>	<u>611,707</u>	<u>366,432</u>	<u>235,675</u>
TOTAL ASSETS	<u>155,348,398</u>	<u>-</u>	<u>72,855,865</u>	<u>37,155,003</u>	<u>23,776,796</u>
LIABILITIES					
Capital shares payable	449,447	-	25,802	-	-
Securities purchased payable	1,026,493	-	585,890	366,438	235,672
Administrative and management fee payable	74,259	-	39,784	22,094	14,964
TOTAL LIABILITIES	<u>1,550,199</u>	<u>-</u>	<u>651,476</u>	<u>388,532</u>	<u>250,636</u>
NET POSITION	<u>\$ 153,798,199</u>	<u>\$ -</u>	<u>\$ 72,204,389</u>	<u>\$ 36,766,471</u>	<u>\$ 23,526,160</u>

**DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Age-Based Fidelity Funds Portfolios				Total Age- Based Fidelity Fund Portfolios
	Delaware Portfolio 2033	Delaware Portfolio 2036	Delaware Portfolio 2039	Delaware Portfolio 2042	
ASSETS					
Cash	-	-	-	-	-
Investments at fair value	\$ 12,554,461	\$ 7,991,027	\$ 2,899,829	\$ 1,011	\$ 309,883,236
Receivable:					
Capital shares	10,816	23,224	24,930	-	192,811
Securities sold	115,708	67,566	26,075	14	2,306,463
Accrued dividends	3,533	5,461	740	-	477,947
Total Receivables	<u>130,057</u>	<u>96,251</u>	<u>51,745</u>	<u>14</u>	<u>2,977,221</u>
TOTAL ASSETS	<u>12,684,518</u>	<u>8,087,278</u>	<u>2,951,574</u>	<u>1,025</u>	<u>312,860,457</u>
LIABILITIES					
Capital shares payable	-	-	-	-	475,249
Securities purchased payable	130,058	96,249	51,744	14	2,492,558
Administrative and management fee payable	8,277	5,401	1,955	-	166,734
TOTAL LIABILITIES	<u>138,335</u>	<u>101,650</u>	<u>53,699</u>	<u>14</u>	<u>3,134,541</u>
NET POSITION	<u>\$ 12,546,183</u>	<u>\$ 7,985,628</u>	<u>\$ 2,897,875</u>	<u>\$ 1,011</u>	<u>\$ 309,725,916</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Age-Based Fidelity Index Funds Portfolios				
	Delaware College Portfolio	Delaware Portfolio 2021	Delaware Portfolio 2024	Delaware Portfolio 2027	Delaware Portfolio 2030
ASSETS					
Cash	-	-	-	-	-
Investments at fair value	\$ 23,988,487	\$ -	\$ 26,632,150	\$ 22,279,975	\$ 13,222,766
Receivable:					
Capital shares	1,085	-	9,596	72,357	6,376
Securities sold	152,560	-	116,770	161,919	105,695
Accrued dividends	33,821	-	35,153	23,994	10,901
Total Receivables	187,466	-	161,519	258,270	122,972
TOTAL ASSETS	<u>24,175,953</u>	<u>-</u>	<u>26,793,669</u>	<u>22,538,245</u>	<u>13,345,738</u>
LIABILITIES					
Capital shares payable	52,193	-	-	67,508	-
Securities purchased payable	136,654	-	164,088	192,004	123,300
Administrative and management fee payable	2,658	-	3,195	2,688	1,586
TOTAL LIABILITIES	<u>191,505</u>	<u>-</u>	<u>167,283</u>	<u>262,200</u>	<u>124,886</u>
NET POSITION	<u>\$ 23,984,448</u>	<u>\$ -</u>	<u>\$ 26,626,386</u>	<u>\$ 22,276,045</u>	<u>\$ 13,220,852</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Age-Based Fidelity Index Funds Portfolios				Total Age- Based Fidelity Fund Portfolios
	Delaware Portfolio 2033	Delaware Portfolio 2036	Delaware Portfolio 2039	Delaware Portfolio 2042	
ASSETS					
Cash	-	-	-	-	-
Investments at fair value	\$ 10,650,221	\$ 6,180,916	\$ 3,151,463	\$ 1,011	\$ 106,106,989
Receivable:					
Capital shares	29,127	6,614	38,408	-	163,563
Securities sold	85,067	61,218	28,002	14	711,245
Accrued dividends	6,776	3,175	727	-	114,547
Total Receivables	<u>120,970</u>	<u>71,007</u>	<u>67,137</u>	<u>14</u>	<u>989,355</u>
TOTAL ASSETS	<u>10,771,191</u>	<u>6,251,923</u>	<u>3,218,600</u>	<u>1,025</u>	<u>107,096,344</u>
LIABILITIES					
Capital shares payable	-	-	-	-	119,701
Securities purchased payable	121,163	71,092	67,148	14	875,463
Administrative and management fee payable	1,278	734	361	-	12,500
TOTAL LIABILITIES	<u>122,441</u>	<u>71,826</u>	<u>67,509</u>	<u>14</u>	<u>1,007,664</u>
NET POSITION	<u>\$ 10,648,750</u>	<u>\$ 6,180,097</u>	<u>\$ 3,151,091</u>	<u>\$ 1,011</u>	<u>\$ 106,088,680</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Age-Based Fidelity Blend Funds Portfolios				
	Delaware College Portfolio	Delaware Portfolio 2021	Delaware Portfolio 2024	Delaware Portfolio 2027	Delaware Portfolio 2030
ASSETS					
Cash	-	-	-	-	-
Investments at fair value	2,046,233	-	2,373,448	1,884,282	1,121,760
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Receivable:					
Capital shares	100	-	187	1,730	6,760
Securities sold	21,937	-	15,427	15,701	6,713
Accrued dividends	3,090	-	3,517	2,324	1,095
Total Receivables	<u>25,127</u>	<u>-</u>	<u>19,131</u>	<u>19,755</u>	<u>14,568</u>
TOTAL ASSETS	<u>2,071,360</u>	<u>-</u>	<u>2,392,579</u>	<u>1,904,037</u>	<u>1,136,328</u>
LIABILITIES					
Capital shares payable	12,524	-	-	501	-
Securities purchased payable	12,569	-	19,266	19,312	14,582
Administrative and management fee payable	617	-	897	761	476
TOTAL LIABILITIES	<u>25,710</u>	<u>-</u>	<u>20,163</u>	<u>20,574</u>	<u>15,058</u>
NET POSITION	<u>\$ 2,045,650</u>	<u>\$ -</u>	<u>\$ 2,372,416</u>	<u>\$ 1,883,463</u>	<u>\$ 1,121,270</u>

**DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Age-Based Fidelity Blend Funds Portfolios				Total Age- Based Fidelity Fund Portfolios
	Delaware Portfolio 2033	Delaware Portfolio 2036	Delaware Portfolio 2039	Delaware Portfolio 2042	
ASSETS					
Cash	-	-	-	-	-
Investments at fair value	\$ 1,230,403	\$ 2,171,356	\$ 1,872,878	\$ 1,011	\$ 12,701,371
Receivable:					
Capital shares	450	11,451	16,689	-	37,367
Securities sold	12,051	17,578	17,664	14	107,085
Accrued dividends	939	1,345	457	-	12,767
Total Receivables	13,440	30,374	34,810	14	157,219
TOTAL ASSETS	1,243,843	2,201,730	1,907,688	1,025	12,858,590
LIABILITIES					
Capital shares payable	-	-	-	-	13,025
Securities purchased payable	13,452	30,394	34,678	14	144,267
Administrative and management fee payable	562	1,026	900	-	5,239
TOTAL LIABILITIES	14,014	31,420	35,578	14	162,531
NET POSITION	\$ 1,229,829	\$ 2,170,310	\$ 1,872,110	\$ 1,011	\$ 12,696,059

**DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Target Risk Fidelity Funds Portfolios					Total Target Risk Fidelity Fund Portfolios
	Delaware Conservative Growth Portfolio	Delaware Moderate Growth Portfolio	Delaware Aggressive Growth Portfolio	Delaware Stable Value Portfolio		
ASSETS						
Cash	-	-	-	-	-	-
Investments at fair value	5,118,519	14,412,675	28,488,737	15,417,328	\$ 63,437,259	\$ 63,437,259
Receivable:						
Capital shares	937	3,380	22,415	-	26,732	26,732
Securities sold	9,596	173,210	381,163	86,634	650,603	650,603
Accrued dividends	13,464	11,556	-	43,269	68,289	68,289
Total Receivables	23,997	188,146	403,578	129,903	745,624	745,624
TOTAL ASSETS	<u>5,142,516</u>	<u>14,600,821</u>	<u>28,892,315</u>	<u>15,547,231</u>	<u>64,182,883</u>	<u>64,182,883</u>
LIABILITIES						
Capital shares payable	1,319	4,434	61,978	74,086	141,817	141,817
Securities purchased payable	22,681	183,715	341,594	57,267	605,257	605,257
Administrative and management fee payable	2,110	10,612	23,559	6,806	43,087	43,087
TOTAL LIABILITIES	<u>26,110</u>	<u>198,761</u>	<u>427,131</u>	<u>138,159</u>	<u>790,161</u>	<u>790,161</u>
NET POSITION	<u>\$ 5,116,406</u>	<u>\$ 14,402,060</u>	<u>\$ 28,465,184</u>	<u>\$ 15,409,072</u>	<u>\$ 63,392,722</u>	<u>\$ 63,392,722</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Target Risk Fidelity Index Funds Portfolios				Total Target
	Delaware Conservative Growth Portfolio	Delaware Moderate Growth Portfolio	Delaware Aggressive Growth Portfolio	Delaware Aggressive Growth Portfolio	Risk Fidelity Fund Portfolios
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments at fair value	4,651,250	10,803,480	17,990,808	17,990,808	33,445,538
Receivable:					
Capital shares	8,991	30,300	51,088	51,088	90,379
Securities sold	47,493	117,012	233,854	233,854	398,359
Accrued dividends	11,074	6,145	-	-	17,219
Total Receivables	<u>67,558</u>	<u>153,457</u>	<u>284,942</u>	<u>284,942</u>	<u>505,957</u>
TOTAL ASSETS	<u>4,718,808</u>	<u>10,956,937</u>	<u>18,275,750</u>	<u>18,275,750</u>	<u>33,951,495</u>
LIABILITIES					
Capital shares payable	52,642	2,073	13,122	13,122	67,837
Securities purchased payable	16,266	151,551	271,822	271,822	439,639
Administrative and management fee payable	537	1,216	2,032	2,032	3,785
TOTAL LIABILITIES	<u>69,445</u>	<u>154,840</u>	<u>286,976</u>	<u>286,976</u>	<u>511,261</u>
NET POSITION	<u>\$ 4,649,363</u>	<u>\$ 10,802,097</u>	<u>\$ 17,988,774</u>	<u>\$ 17,988,774</u>	<u>\$ 33,440,234</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Individual Funds Portfolios					
	Delaware Money Market Portfolio	Delaware Intermediate Treasury Index Portfolio	Delaware International Index Portfolio	Delaware Fidelity 500 Index Portfolio	Delaware Total Market Index Portfolio	
ASSETS						
Cash	-	-	-	-	-	
Investments at fair value	-	\$ 3,720,629	\$ 6,330,832	\$ 44,059,347	\$ 19,258,304	
		3,720,629	6,330,832	44,059,347	19,258,304	
Receivable:						
Capital shares	-	208	1,611	22,738	-	
Securities sold	-	7,566	4,066	15,566	122,050	
Accrued dividends	-	5,665	-	-	-	
Total Receivables	-	13,439	5,677	38,304	122,050	
TOTAL ASSETS	-	3,734,068	6,336,509	44,097,651	19,380,354	
LIABILITIES						
Capital shares payable	-	7,776	-	-	16,055	
Securities purchased payable	-	5,664	5,671	38,303	105,996	
Administrative and management fee payable	-	284	485	3,447	1,496	
TOTAL LIABILITIES	-	13,724	6,156	41,750	123,547	
NET POSITION	-	\$ 3,720,344	\$ 6,330,353	\$ 44,055,901	\$ 19,256,807	
	-	\$ 3,720,344	\$ 6,330,353	\$ 44,055,901	\$ 19,256,807	

**DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Individual Funds Total Individual Fund Portfolios	Interest-bearing Bank Deposit Fund	Administrative Fund	Total
ASSETS				
Cash	\$ -	\$ -	\$ 1,403,064	\$ 1,403,064
Investments at fair value	73,369,112	13,949,072	-	612,892,577
Receivable:				
Capital shares	24,557	580	-	535,989
Securities sold	149,248	108,949	-	4,431,952
Accrued dividends	5,665	48,063	-	744,497
Total Receivables	179,470	157,592	-	5,712,438
TOTAL ASSETS	<u>73,548,582</u>	<u>14,106,664</u>	<u>1,403,064</u>	<u>620,008,079</u>
LIABILITIES				
Capital shares payable	23,831	109,530	-	950,990
Securities purchased payable	155,634	48,080	-	4,760,898
Administrative and management fee payable	5,712	5,885	-	242,942
TOTAL LIABILITIES	<u>185,177</u>	<u>163,495</u>	<u>-</u>	<u>5,954,830</u>
NET POSITION	<u>\$ 73,363,405</u>	<u>\$ 13,943,169</u>	<u>\$ 1,403,064</u>	<u>\$ 614,053,249</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Age-Based Fidelity Funds Portfolios				
	Delaware College Portfolio	Delaware Portfolio 2021	Delaware Portfolio 2024	Delaware Portfolio 2027	Delaware Portfolio 2030
ADDITIONS					
Subscriptions	\$ 95,298,732	\$ 6,023,949	\$ 5,172,509	\$ 3,340,520	\$ 2,580,029
Investment income (loss):					
Net increase/(decrease) in fair value of investments	(15,009,732)	(10,633,927)	(12,377,356)	(7,745,761)	(5,435,428)
Interest and dividends	4,972,170	2,250,503	3,344,603	1,897,239	1,304,535
Less: investments expenses, net of reductions	(547,969)	(570,323)	(478,328)	(270,122)	(176,681)
Total Investment Income (Loss)	<u>(10,585,531)</u>	<u>(8,953,747)</u>	<u>(9,511,081)</u>	<u>(6,118,644)</u>	<u>(4,307,574)</u>
Other income	-	-	-	-	-
TOTAL ADDITIONS	<u>84,713,201</u>	<u>(2,929,798)</u>	<u>(4,338,572)</u>	<u>(2,778,124)</u>	<u>(1,727,545)</u>
DEDUCTIONS					
Redemptions	35,310,396	115,425,890	4,085,115	3,170,751	1,124,658
Administrative expenses	-	-	-	-	-
TOTAL DEDUCTIONS	<u>35,310,396</u>	<u>115,425,890</u>	<u>4,085,115</u>	<u>3,170,751</u>	<u>1,124,658</u>
CHANGE IN FIDUCIARY NET POSITION	49,402,805	(118,355,688)	(8,423,687)	(5,948,875)	(2,852,203)
NET POSITION, BEGINNING OF YEAR	104,395,394	118,355,688	80,628,076	42,715,346	26,378,363
NET POSITION, END OF YEAR	<u>\$ 153,798,199</u>	<u>\$ -</u>	<u>\$ 72,204,389</u>	<u>\$ 36,766,471</u>	<u>\$ 23,526,160</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Age-Based Fidelity Funds Portfolios				Total Age- Based Fidelity Fund Portfolios
	Delaware Portfolio 2033	Delaware Portfolio 2036	Delaware Portfolio 2039	Delaware Portfolio 2042	
ADDITIONS					
Subscriptions	\$ 1,948,842	\$ 1,603,289	\$ 1,282,777	\$ 1,000	\$ 117,251,647
Investment income (loss):					
Net increase/(decrease) in fair value of investments	(3,014,161)	(1,910,068)	(601,105)	11	(56,727,527)
Interest and dividends	736,189	470,313	168,041	-	15,143,593
Less: investments expenses, net of reductions	(95,008)	(60,853)	(19,371)	-	(2,218,655)
Total Investment Income (Loss)	<u>(2,372,980)</u>	<u>(1,500,608)</u>	<u>(452,435)</u>	<u>11</u>	<u>(43,802,589)</u>
Other income	-	-	-	-	-
TOTAL ADDITIONS	<u>(424,138)</u>	<u>102,681</u>	<u>830,342</u>	<u>1,011</u>	<u>73,449,058</u>
DEDUCTIONS					
Redemptions	231,591	271,280	105,363	-	159,725,044
Administrative expenses	-	-	-	-	-
TOTAL DEDUCTIONS	<u>231,591</u>	<u>271,280</u>	<u>105,363</u>	<u>-</u>	<u>159,725,044</u>
CHANGE IN FIDUCIARY NET POSITION	<u>(655,729)</u>	<u>(168,599)</u>	<u>724,979</u>	<u>1,011</u>	<u>(86,275,986)</u>
NET POSITION, BEGINNING OF YEAR	<u>13,201,912</u>	<u>8,154,227</u>	<u>2,172,896</u>	<u>-</u>	<u>396,001,902</u>
NET POSITION, END OF YEAR	<u>\$ 12,546,183</u>	<u>\$ 7,985,628</u>	<u>\$ 2,897,875</u>	<u>\$ 1,011</u>	<u>\$ 309,725,916</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Age-Based Fidelity Index Funds Portfolios				
	Delaware College Portfolio	Delaware Portfolio 2021	Delaware Portfolio 2024	Delaware Portfolio 2027	Delaware Portfolio 2030
ADDITIONS					
Subscriptions	\$ 17,299,988	\$ 1,427,301	\$ 2,750,227	\$ 2,718,516	\$ 1,932,477
Investment income (loss):					
Net increase/(decrease) in fair value of investments	(1,980,777)	(1,709,407)	(4,184,633)	(4,124,219)	(2,655,422)
Interest and dividends	579,393	261,122	811,701	635,914	354,663
Less: investments expenses, net of reductions	(16,911)	(23,396)	(38,554)	(32,195)	(18,402)
Total Investment Income (Loss)	(1,418,295)	(1,471,681)	(3,411,486)	(3,520,500)	(2,319,161)
Other income	-	-	-	-	-
TOTAL ADDITIONS	<u>15,881,693</u>	<u>(44,380)</u>	<u>(661,259)</u>	<u>(801,984)</u>	<u>(386,684)</u>
DEDUCTIONS					
Redemptions	5,348,647	20,653,086	2,791,785	1,842,266	670,560
Administrative expenses	-	-	-	-	-
TOTAL DEDUCTIONS	<u>5,348,647</u>	<u>20,653,086</u>	<u>2,791,785</u>	<u>1,842,266</u>	<u>670,560</u>
CHANGE IN FIDUCIARY NET POSITION	10,533,046	(20,697,466)	(3,453,044)	(2,644,250)	(1,057,244)
NET POSITION, BEGINNING OF YEAR	<u>13,451,402</u>	<u>20,697,466</u>	<u>30,079,430</u>	<u>24,920,295</u>	<u>14,278,096</u>
NET POSITION, END OF YEAR	<u>\$ 23,984,448</u>	<u>\$ -</u>	<u>\$ 26,626,386</u>	<u>\$ 22,276,045</u>	<u>\$ 13,220,852</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Age-Based Fidelity Index Funds Portfolios				Total Age-Based Fidelity Index Fund Portfolios
	Delaware Portfolio 2033	Delaware Portfolio 2036	Delaware Portfolio 2039	Delaware Portfolio 2042	
ADDITIONS					
Subscriptions	\$ 1,428,747	\$ 1,328,961	\$ 1,429,504	\$ 1,000	\$ 30,316,721
Investment income (loss):					
Net increase/(decrease) in fair value of investments	(2,322,959)	(1,271,508)	(517,555)	11	(18,766,469)
Interest and dividends	268,891	125,362	59,563	-	3,096,609
Less: investments expenses, net of reductions	(14,996)	(8,293)	(3,568)	-	(156,315)
Total Investment Income (Loss)	<u>(2,069,064)</u>	<u>(1,154,439)</u>	<u>(461,560)</u>	<u>11</u>	<u>(15,826,175)</u>
Other income	-	-	-	-	-
TOTAL ADDITIONS	<u>(640,317)</u>	<u>174,522</u>	<u>967,944</u>	<u>1,011</u>	<u>14,490,546</u>
DEDUCTIONS					
Redemptions	376,076	131,833	135,285	-	31,949,538
Administrative expenses	-	-	-	-	-
TOTAL DEDUCTIONS	<u>376,076</u>	<u>131,833</u>	<u>135,285</u>	<u>-</u>	<u>31,949,538</u>
CHANGE IN FIDUCIARY NET POSITION	<u>(1,016,393)</u>	<u>42,689</u>	<u>832,659</u>	<u>1,011</u>	<u>(17,458,992)</u>
NET POSITION, BEGINNING OF YEAR	<u>11,665,143</u>	<u>6,137,408</u>	<u>2,318,432</u>	<u>-</u>	<u>123,547,672</u>
NET POSITION, END OF YEAR	<u>\$ 10,648,750</u>	<u>\$ 6,180,097</u>	<u>\$ 3,151,091</u>	<u>\$ 1,011</u>	<u>\$ 106,088,680</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Age-Based Fidelity Blend Funds Portfolios				
	Delaware College Portfolio	Delaware Portfolio 2021	Delaware Portfolio 2024	Delaware Portfolio 2027	Delaware Portfolio 2030
ADDITIONS					
Subscriptions	\$ 2,172,717	\$ 650,330	\$ 592,917	\$ 687,474	\$ 446,850
Investment income (loss):					
Net increase/(decrease) in fair value of investments	(127,151)	(201,316)	(365,348)	(318,096)	(207,689)
Interest and dividends	47,518	36,819	94,517	72,632	43,446
Less: investments expenses, net of reductions	(2,451)	(6,546)	(10,158)	(7,953)	(4,844)
Total Investment Income (Loss)	<u>(82,084)</u>	<u>(171,043)</u>	<u>(280,989)</u>	<u>(253,417)</u>	<u>(169,087)</u>
Other income	-	-	-	-	-
TOTAL ADDITIONS	<u>2,090,633</u>	<u>479,287</u>	<u>311,928</u>	<u>434,057</u>	<u>277,763</u>
DEDUCTIONS					
Redemptions	587,277	2,196,422	175,963	40,330	57,301
Administrative expenses	-	-	-	-	-
TOTAL DEDUCTIONS	<u>587,277</u>	<u>2,196,422</u>	<u>175,963</u>	<u>40,330</u>	<u>57,301</u>
CHANGE IN FIDUCIARY NET POSITION	1,503,356	(1,717,135)	135,965	393,727	220,462
NET POSITION, BEGINNING OF YEAR	542,294	1,717,135	2,236,451	1,489,736	900,808
NET POSITION, END OF YEAR	<u>\$ 2,045,650</u>	<u>\$ -</u>	<u>\$ 2,372,416</u>	<u>\$ 1,883,463</u>	<u>\$ 1,121,270</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Age-Based Fidelity Blend Funds Portfolios				Total
	Delaware Portfolio 2033	Delaware Portfolio 2036	Delaware Portfolio 2039	Delaware Portfolio 2042	Age-Based Fidelity Blend Fund Portfolios
ADDITIONS					
Subscriptions	\$ 420,042	\$ 635,626	\$ 1,061,087	\$ 1,000	\$ 6,668,043
Investment income (loss):					
Net increase/(decrease) in fair value of investments	(261,431)	(469,681)	(333,973)	11	(2,284,674)
Interest and dividends	51,519	86,116	70,562	-	503,129
Less: investments expenses, net of reductions	(6,109)	(11,004)	(8,252)	-	(57,317)
Total Investment Income (Loss)	<u>(216,021)</u>	<u>(394,569)</u>	<u>(271,663)</u>	<u>11</u>	<u>(1,838,862)</u>
Other income	-	-	-	-	-
TOTAL ADDITIONS	<u>204,021</u>	<u>241,057</u>	<u>789,424</u>	<u>1,011</u>	<u>4,829,181</u>
DEDUCTIONS					
Redemptions	62,454	34,103	44,810	-	3,198,660
Administrative expenses	-	-	-	-	-
TOTAL DEDUCTIONS	<u>62,454</u>	<u>34,103</u>	<u>44,810</u>	<u>-</u>	<u>3,198,660</u>
CHANGE IN FIDUCIARY NET POSITION	141,567	206,954	744,614	1,011	1,630,521
NET POSITION, BEGINNING OF YEAR	1,088,262	1,963,356	1,127,496	-	11,065,538
NET POSITION, END OF YEAR	<u>\$ 1,229,829</u>	<u>\$ 2,170,310</u>	<u>\$ 1,872,110</u>	<u>\$ 1,011</u>	<u>\$ 12,696,059</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Target Risk Fidelity Funds Portfolios					Total Target Risk Fidelity Fund Portfolios
	Delaware Conservative Growth Portfolio	Delaware Moderate Growth Portfolio	Delaware Aggressive Growth Portfolio	Delaware Stable Value Portfolio		
ADDITIONS						
Subscriptions	\$ 1,535,123	\$ 1,584,874	\$ 2,658,860	\$ 19,920,106	\$ 25,698,963	
Investment income (loss):						
Net increase/(decrease) in fair value of investments	(521,783)	(4,092,544)	(8,598,294)	-	(13,212,621)	
Interest and dividends	157,505	892,999	2,006,392	317,230	3,374,126	
Less: investments expenses, net of reductions	(29,338)	(138,180)	(303,008)	(39,817)	(510,343)	
Total Investment Income (Loss)	<u>(393,616)</u>	<u>(3,337,725)</u>	<u>(6,894,910)</u>	<u>277,413</u>	<u>(10,348,838)</u>	
Other income	-	-	-	-	-	
TOTAL ADDITIONS	<u>1,141,507</u>	<u>(1,752,851)</u>	<u>(4,236,050)</u>	<u>20,197,519</u>	<u>15,350,125</u>	
DEDUCTIONS						
Redemptions	2,758,647	3,493,911	6,662,372	4,788,447	17,703,377	
Administrative expenses	-	-	-	-	-	
TOTAL DEDUCTIONS	<u>2,758,647</u>	<u>3,493,911</u>	<u>6,662,372</u>	<u>4,788,447</u>	<u>17,703,377</u>	
CHANGE IN FIDUCIARY NET POSITION	<u>(1,617,140)</u>	<u>(5,246,762)</u>	<u>(10,898,422)</u>	<u>15,409,072</u>	<u>(2,353,252)</u>	
NET POSITION, BEGINNING OF YEAR	<u>6,733,546</u>	<u>19,648,822</u>	<u>39,363,606</u>	<u>-</u>	<u>65,745,974</u>	
NET POSITION, END OF YEAR	<u>\$ 5,116,406</u>	<u>\$ 14,402,060</u>	<u>\$ 28,465,184</u>	<u>\$ 15,409,072</u>	<u>\$ 63,392,722</u>	

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Target Risk Fidelity Index Funds Portfolios			Total
	Delaware Conservative Growth Portfolio	Delaware Moderate Growth Portfolio	Delaware Aggressive Growth Portfolio	Target Risk Fidelity Index Fund Portfolios
ADDITIONS				
Subscriptions	\$ 1,683,910	\$ 1,959,504	\$ 4,299,942	\$ 7,943,356
Investment income (loss):				
Net increase/(decrease) in fair value of investments	(430,210)	(2,629,183)	(4,035,836)	(7,095,229)
Interest and dividends	141,074	265,065	385,760	791,899
Less: investments expenses, net of reductions	(6,865)	(15,401)	(23,582)	(45,848)
Total Investment Income (Loss)	<u>(296,001)</u>	<u>(2,379,519)</u>	<u>(3,673,658)</u>	<u>(6,349,178)</u>
Other income	-	-	-	-
TOTAL ADDITIONS	<u>1,387,909</u>	<u>(420,015)</u>	<u>626,284</u>	<u>1,594,178</u>
DEDUCTIONS				
Redemptions	2,376,263	3,005,397	2,534,815	7,916,475
Administrative expenses	-	-	-	-
TOTAL DEDUCTIONS	<u>2,376,263</u>	<u>3,005,397</u>	<u>2,534,815</u>	<u>7,916,475</u>
CHANGE IN FIDUCIARY NET POSITION	(988,354)	(3,425,412)	(1,908,531)	(6,322,297)
NET POSITION, BEGINNING OF YEAR	<u>5,637,717</u>	<u>14,227,509</u>	<u>19,897,305</u>	<u>39,762,531</u>
NET POSITION, END OF YEAR	<u>\$ 4,649,363</u>	<u>\$ 10,802,097</u>	<u>\$ 17,988,774</u>	<u>\$ 33,440,234</u>

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Individual Funds Portfolios					Delaware Total Market Index Portfolio
	Delaware Money Market Portfolio	Delaware Intermediate Treasury Index Portfolio	Delaware International Index Portfolio	Delaware Fidelity 500 Index Portfolio		
ADDITIONS						
Subscriptions	\$ 1,626,867	\$ 1,531,793	\$ 1,374,947	\$ 11,493,643	\$ 4,126,694	
Investment income (loss):						
Net increase/(decrease) in fair value of investments	238,963	(546,579)	(1,328,904)	(10,028,247)	(4,907,085)	
Interest and dividends	544	55,975	162,421	734,939	307,210	
Less: investments expenses, net of reductions	(8,916)	(3,225)	(5,742)	(41,083)	(18,312)	
Total Investment Income (Loss)	<u>230,591</u>	<u>(493,829)</u>	<u>(1,172,225)</u>	<u>(9,334,391)</u>	<u>(4,618,187)</u>	
Other income	-	-	-	-	-	
TOTAL ADDITIONS	<u>1,857,458</u>	<u>1,037,964</u>	<u>202,722</u>	<u>2,159,252</u>	<u>(491,493)</u>	
DEDUCTIONS						
Redemptions	17,745,822	1,317,072	1,010,244	7,582,265	3,590,081	
Administrative expenses	-	-	-	-	-	
TOTAL DEDUCTIONS	<u>17,745,822</u>	<u>1,317,072</u>	<u>1,010,244</u>	<u>7,582,265</u>	<u>3,590,081</u>	
CHANGE IN FIDUCIARY NET POSITION	<u>(15,888,364)</u>	<u>(279,108)</u>	<u>(807,522)</u>	<u>(5,423,013)</u>	<u>(4,081,574)</u>	
NET POSITION, BEGINNING OF YEAR	<u>15,888,364</u>	<u>3,999,452</u>	<u>7,137,875</u>	<u>49,478,914</u>	<u>23,338,381</u>	
NET POSITION, END OF YEAR	<u>\$ -</u>	<u>\$ 3,720,344</u>	<u>\$ 6,330,353</u>	<u>\$ 44,055,901</u>	<u>\$ 19,256,807</u>	

DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION BY PORTFOLIO
FOR THE YEAR ENDED DECEMBER 31, 2022

	Individual Funds Portfolios	Interest-bearing Bank Deposit Fund	Administrative Fund	Total
ADDITIONS				
Subscriptions	\$ 20,153,944	\$ 9,193,339	\$ -	\$ 217,226,013
Investment income (loss):				
Net increase/(decrease) in fair value of investments	(16,571,852)	-	-	(114,658,372)
Interest and dividends	1,261,089	226,474	-	24,396,919
Less: investments expenses, net of reductions	(77,278)	(49,612)	-	(3,115,368)
Total Investment Income (Loss)	<u>(15,388,041)</u>	<u>176,862</u>	<u>-</u>	<u>(93,376,821)</u>
Other income	<u>-</u>		<u>315,110</u>	<u>315,110</u>
TOTAL ADDITIONS	<u>4,765,903</u>	<u>9,370,201</u>	<u>315,110</u>	<u>124,164,302</u>
DEDUCTIONS				
Redemptions	31,245,484	6,791,423	-	258,530,001
Administrative expenses	-	-	334,953	334,953
TOTAL DEDUCTIONS	<u>31,245,484</u>	<u>6,791,423</u>	<u>334,953</u>	<u>258,864,954</u>
CHANGE IN FIDUCIARY NET POSITION	<u>(26,479,581)</u>	<u>2,578,778</u>	<u>(19,843)</u>	<u>(134,700,652)</u>
NET POSITION, BEGINNING OF YEAR	<u>99,842,986</u>	<u>11,364,391</u>	<u>1,422,907</u>	<u>748,753,901</u>
NET POSITION, END OF YEAR	<u>\$ 73,363,405</u>	<u>\$ 13,943,169</u>	<u>\$ 1,403,064</u>	<u>\$ 614,053,249</u>

**DELAWARE QUALIFIED TUITION SAVINGS PLAN TRUST
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

September 14, 2023

State of Delaware Plans Management Board
Trustee of the Delaware Qualified Tuition Savings Plan Trust
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 Delaware Qualified Tuition Savings Plan Trust (the Trust), 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 September 14, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust'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 Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust'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 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.

State of Delaware Plans Management Board
Trustee of the Delaware Qualified Tuition Savings Plan Trust

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust'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