WILMINGTON FUNDS

Quarterly Market Review

Global Alpha Equities Fund

3Q

as of 9/30/2022

Global Long/Short Equity

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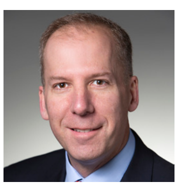

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The fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company, and may be obtained by visiting www.wilmingtonfunds.com or by calling 1.800.836.2211. Read the prospectus carefully before investing.

Key takeaways

- Global Alpha Equities slightly underperformed its benchmark but outperformed its Morningstar peer group during the quarter
- A new U.S. value manager was added to the portfolio during the quarter

Wellington portfolio manager perspective

Global equities (-6.7%), as measured by the MSCI All Country World Index (ACWI), fell in the third quarter. Risk-off sentiment was driven by high inflation, rising interest rates, geopolitical turmoil, and growing signs of a global economic slowdown. The U.S. Federal Reserve (Fed) hiked its target interest rate by 150 basis points or bps (1.50%) over the quarter in an effort to rein in decades-high inflation. Fed officials stated that the central bank would continue raising interest rates until it was confident inflation was under control, acknowledging the unfavorable impacts the policy will have. Eurozone inflation increased 10% year over year in September on the back of soaring energy prices. European energy ministers responded to the continent's energy crisis with a €140 billion plan to aid consumers and businesses, including revenue caps and claw backs on energy profits. European gas prices continued to skyrocket as a result of the war in Ukraine; tensions with Russia were further exacerbated by damage to the Nord Stream pipeline, which the North Atlantic Treaty Organization (NATO) attributed to an act of sabotage. The European Central Bank ended its negative interest-rate policy, raising rates by 125bps during the quarter. In sharp contrast, the Bank of Japan (BOJ) maintained its highly accommodative yield curve control policy, prompting the BOJ to intervene in an effort to support the yen for the first time in 24 years. The People's Bank of China cut interest rates in an attempt to revive the country's sputtering economy. China's strict COVID containment policies and property market disarray weakened consumer, producer, and investment activities.

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Figure 1

Performance and fund expenses (%) as of September 30, 2022

	3Q 2022 (ending 9/30/2022)	1-year return (annualized)	5-year return (annualized)	10-year return (annualized)	Expenses[1] Gross	Net	Inception date
Wilmington Global Alpha Equities Class I	-3.33	-6.66	1.69	2.20	1.81	1.25	1/12/2012
U.S. Fund Long-Short Equity[2]	-3.37	-8.52	2.30	3.46	—	—	—
HFRX Equity Hedge Index	-0.08	-2.27	2.84	3.24	—	—	—

Performance shown represents past performance and cannot guarantee future results. Short-term performance may not be indicative of long-term results.

Current performance may be lower or higher than shown. Investment return and principal value will fluctuate. Shares, when redeemed, may be worth more or less than the original cost. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all expenses. Performance would have been lower if fees had not been waived in various periods. Performance data current to the most recent month end is available at www.wilmingtonfunds.com.

Class I data shown; not all investors will be able to invest in Class I shares. Other share classes available; performance and expenses may vary.

You cannot invest directly in an index: Index performance does not reflect the expenses associated with the active management of an actual portfolio.

[1]The fund's advisor, distributor, and shareholder services providers have agreed to waive their fees and/or reimburse expenses so that total annual fund operating expenses paid by the fund's Class I shares will not exceed 1.24%, not including the effects of dividends or interest on short positions, acquired fund fees and expenses, taxes, or other extraordinary expenses. This waiver may be withdrawn after August 31, 2023, or with the agreement of the fund's board of trustees. Please see the prospectus for more information on fees, expenses, and expense limitation arrangements, if any.

[2]Morningstar Long-Short Equity Funds peer group average.

Fund investment approach

Objective

Long-term growth of capital with lower volatility than broader equity markets.

Approach

- Global defensive equity strategy
- Emphasis on downside mitigation
- Combination of high-active share, long-only equity strategies with a futures-based hedging program designed to reduce market exposure to typically 35%–45% net long

Subadvised by

Wellington Management

AUM: $216.82 million (Class A and Class I shares)

Benchmark: HFRX Equity Hedge Index

Inception date: January 12, 2012

Quarterly review

The fund had negative returns in 3Q 2022 and underperformed the HFRX Equity Hedge Index. Similarly, the long equity book slightly underperformed its equity benchmark, the ACWI. The risk completion portion of the long book, which includes the proprietary factor strategies and mega-cap completion sleeve, posted negative absolute returns. On a relative basis, U.S. and Japan proprietary factor strategies as well as the mega-cap completion sleeve outperformed the ACWI, while Europe's proprietary factor strategy underperformed the ACWI index. With equity markets sharply declining during the quarter, the hedging strategy contributed positively to absolute returns.

Security selection was the primary driver of the relative underperformance. Weak selection in the consumer discretionary, utilities, and communication services sectors was partially offset by stronger selection in the industrials and information technology sectors. Sector allocation, a residual of the underlying managers' bottom-up stock selection process, contributed to relative performance due to our overweight exposure to industrials and our underweight exposure

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Regions (as of 9/30/2022)

	Allocation
United States	47.1%
Europe ex UK	13.0%
Japan	8.8%
UK	5.6%
Canada, Australia, NZ	5.2%
Emerging Markets	4.8%
Asia ex Japan	1.4%
Cash & Collateral for hedging program	14.0%

Sectors (as of 9/30/2022)

	Allocation
Communication Services	6.6%
Consumer Discretionary	8.5%
Consumer Staples	6.0%
Energy	3.6%
Financials	16.6%
Health care	12.1%
Industrials	13.1%
Information Technology	12.7%
Materials	2.8%
Real Estate	2.3%
Utilities	2.5%
Other	0.3%

Top 10 holdings (as of 9/30/2022)

	Allocation
Microsoft Corp	2.1%
Apple Inc	1.5%
Novartis Ag	1.3%
Intact Financial Corp	1.2%
Aia Group Ltd	1.1%
Amazon.com Inc	1.1%
Charles Schwab Corp	1.1%
Pfizer Inc	0.9%
Totalenergies Se	0.9%
Johnson & Johnson	0.9%

Holdings percentages are based on the total portfolio as of quarter end and are subject to change at any time. These data are shown for informational purposes only and are not to be considered a recommendation to purchase or sell any security. The holdings information provided does not include all securities that were purchased, sold or held in client accounts and may not be representative of current holdings. It should not be assumed that the holdings described are or will be profitable or that securities purchased in the future will be profitable or will equal the performance of the securities in this list.

to communication services. This was partially offset by a negative effect from our underweight exposures to energy and consumer discretionary. From a regional perspective, the fund's exposures within North America, Asia Pacific ex Japan, and emerging markets detracted from results.

Our decision not to hold Tesla was the top relative detractor during the quarter. Shares of Tesla rose during the period after the company posted stronger-than-expected second-quarter earnings and reiterated its goal for full-year delivery growth despite input price pressures and narrowing profit margins. We continue to not hold the stock.

Our overweight exposure to Charles Schwab was the top relative contributor during the quarter. Shares of Charles Schwab advanced during the period after the company authorized a $15 billion buyback and declared a 10% boost to its quarterly dividend. Management indicated that the company's strong balance sheet, expanding earnings power, and increased capital levels should create an opportunity for significant capital return. The company also reported adjusted earnings per share (EPS) for the second quarter, beating the average analyst estimate. We continue to hold the stock.

During the quarter, we added a new U.S. value manager in order to increase the fund's structural exposure to U.S. value names. The new manager was funded by a reduction in a U.S. quality manager, which still remains a core position.

Environment and outlook

Macroeconomic and geopolitical uncertainties continue to weigh on markets and we expect this volatility to persist as the year goes on. As allocators, we seek to balance risk in the portfolio across strategic investments in value, quality, and growth managers. We look to each manager's fundamental stock selection process to identify companies best able to navigate the landscape and avoid those at greatest risk.

We seek to create a portfolio of differentiated investment styles and philosophies, and in doing so we are mindful of the evolving risks and opportunities for each manager's style. We invest in quality managers as a way to provide exposure to

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companies that have stable businesses. These exposures play an important role through the cycle and can be particularly beneficial in challenged equity markets. While we look to these managers to provide a defensive ballast to the portfolio, we are mindful of the potential impact that inflation might have on corporate profitability. We pair these positions with allocations to growth and value managers to help balance risks. Within the growth universe, we are cognizant of the outsized downside risk to areas of heightened speculation driven by high growth expectations. While we saw this reversal start to play out earlier in the year, we believe there may still be more room to fall. We look to our fundamental growth managers' security selection processes to differentiate companies with strong long-term fundamentals from those that have been caught up in excessive speculation. In the value universe, we are mindful of the potential risks to mean-reversion, including the influence of macroeconomic factors like interest rates and energy prices. While we still believe that some structural impediments to mean-reversion persist, we also think that that current tightening conditions could provide further relief to value stocks and create attractive opportunities for fundamental investors. As ever, we are focused on balancing risks in the portfolio such that security selection drives results.

APPENDIX

DISCLOSURES

All investments involve risk, including possible loss of principal. Investments such as mutual funds which focus on alternative strategies are subject to increased risk and loss of principal and are not suitable for all investors. Diversification does not ensure a profit or guarantee against a loss. There is no assurance that any investment strategy will be successful. Any investment in the fund should be part of an overall investment program rather than, in itself, a complete program. Because the fund invests in underlying mutual funds or other managed strategies, an investor in the fund will bear the management fees and operating expenses of the "Underlying Strategies" in which the fund invests. The total expenses borne by an investor in the fund will be higher than if the investor invested directly in the Underlying Strategies, and the returns may therefore be lower.

The fund, the subadvisors, and the Underlying Strategies may use aggressive investment strategies, which are riskier than those used by typical mutual funds. If the fund and subadvisors are unsuccessful in applying these investment strategies, the fund and you may lose more money than if you had invested in another fund that did not invest aggressively. The fund is subject to risks associated with the subadvisors making trading decisions independently, investing in other investment companies, using a particular style or set of styles, basing investment decisions on historical relationships and correlations, trading frequently, using leverage, making short sales, being non-diversified and investing in securities with low correlation to the market. The use of leverage may magnify losses. The fund is also subject to risks associated with investments in foreign markets, emerging market securities, small cap companies, debt securities, derivatives, commodity-linked instruments, illiquid securities, asset-backed securities and CMOs. Please see the prospectus and summary prospectus for information on these as well as other risk considerations.

GLOSSARY AND BENCHMARK DESCRIPTIONS

The **HFRX Equity Hedge Index** measures the performance of hedge fund strategies that primarily maintain long and short positions in equity and equity derivative securities. Equity Hedge managers typically maintain at least 50%, and in some cases may be entirely invested in equity-related securities, both long and short. Managers may employ a broad range of processes and strategies, including both quantitative and fundamental techniques, as well as net exposures, level of concentration, use of leverage, holding periods, and market capitalizations. The index is weighted by asset size among reporting funds, which must have at least $50 million in assets or have been active for at least 12 months.

The **MSCI ACWI** is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI ACWI is maintained by Morgan Stanley Capital International (MSCI) and is comprised of stocks from 23 developed countries and 24 emerging markets.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of market risk (as measured by beta). A positive alpha figure indicates the fund has performed better than its beta would predict.

Basis points refers to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Beta is a measure of a fund's sensitivity to market movements. It measures the relationship between a fund's return and a market benchmark.

A long position—also known as simply long—is the buying of a stock, commodity, or currency with the expectation that it will rise in value.

This material does not constitute a recommendation of a particular security, nor is it an offer to sell, or solicitation of an offer to buy, fund shares. Information herein is not intended to be a forecast of future events, a guarantee of future results or investment advice. Current market conditions may not continue. Information contained herein has been obtained from sources believed to be reliable, but have not been verified and cannot be guaranteed.

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