

Asset Allocation Changes

SEI Global Strategic Portfolios

First Quarter 2018

SEI New ways.
New answers.®

SEI's target strategic asset allocations are based on our long-term expectations for the global markets and are derived from our capital market assumptions. In the short-term, we may over- or underweight these positions as part of our active asset allocation, which aims to take advantage of short-term market opportunities.

Changes were made to the target active asset allocations of the SEI Global Strategic Portfolios (the Funds) in the first quarter:

- Established an overweight to emerging-markets fixed interest and corresponding underweight to high-yield fixed interest in the Global Conservative, Global Core, Global Balanced and Global Growth Funds.

Rationale

Overweight Emerging-Markets Fixed Interest And Underweight High-Yield Fixed Income

SEI believes the following reasons support the overweight to emerging-markets fixed interest (EMFI) versus an underweight to high-yield fixed income in the specified Funds:

- Credit markets have performed very well during the current expansion. As credit spreads have narrowed to low levels, the potential for further price appreciation has become more limited for assets like high-yield bonds.
- By comparison, EMFI appears to have more room to run. The differential between the yields of EMFI and high-yield bonds has narrowed significantly, making EMD relatively more attractive by historical measures.
- In addition to a compelling valuation differential, we believe fundamentals are supportive of EMFI. A stronger global economy, an improving outlook for commodity prices and a cooling US dollar should provide an accommodative environment for EMD.

The following tables provide a comparison of the Funds' target active weights relative to their strategic (long-term, neutral target) weights as at 31 March 2018:

	Global Conservative		Global Core		Global Balanced	
	Strategic (%)	Current (%)	Strategic (%)	Current (%)	Strategic (%)	Current (%)
Equities						
Global Managed Volatility	16.90%	16.90%				
Global Developed	4.20%	4.20%	9.30%	9.30%	13.20%	13.20%
UK			3.10%	3.10%	4.00%	4.00%
Europe			4.10%	4.10%	5.10%	5.10%
Europe Hedged (in US dollars)				2.00%		2.00%
Pan European Small Companies			1.00%	1.00%	2.00%	2.00%
US Large Companies			8.30%	4.80%	7.80%	4.30%
US Small Companies			1.00%	1.00%	3.80%	3.80%
Factor Allocation US Equity			9.40%	9.40%	11.70%	11.70%
Japan			3.10%	3.10%	4.10%	4.10%
Japan Hedged (in US dollars)				1.50%		1.50%
Pacific Basin ex-Japan			2.10%	2.10%	2.00%	2.00%
Emerging Markets			4.10%	4.10%	8.10%	8.10%
Fixed Interest						
Emerging Markets		2.00%	3.20%	7.20%	5.20%	9.20%
High Yield	6.20%	4.20%	7.40%	3.40%	6.20%	2.20%
Global Credit	7.20%	7.20%	11.60%	11.60%	6.20%	6.20%
Global Government	7.20%	7.20%	11.60%	11.60%	7.30%	7.30%
Global Short Duration	15.40%	15.40%	2.65%	2.65%	1.05%	1.05%
Global Short Term	15.40%	15.40%	2.65%	2.65%	1.05%	1.05%
Income						
Multi-Asset Income	7.20%	7.20%	3.10%	3.10%	2.10%	2.10%
Inflation Sensitive						
Inflation-Linked Bonds	2.00%	2.00%	3.20%	3.20%	3.10%	3.10%
Commodities	3.00%	3.00%	4.00%	4.00%	3.00%	3.00%
Absolute Return						
Liquid Alternatives	3.00%	3.00%	4.00%	4.00%	2.00%	2.00%
Liquidity						
Cash and Cash Equivalents	12.30%	12.30%	1.10%	1.10%	1.00%	1.00%

A blue-shaded cell (white font) represents an overweight position; a grey-shaded cell (black font) represents an underweight position versus the strategic weight. Figures shown represent the total target active weight (i.e. strategic weight +/- overweight/underweight).

“Current” column represents weights as at 31 March 2018 and do not represent current allocations. Please contact SEI for current allocations.

	Global Growth		Global Aggressive	
	Strategic (%)	Current (%)	Strategic (%)	Current (%)
Equities				
Global Managed Volatility				
Global Developed	16.10%	16.10%	18.80%	18.80%
UK	5.00%	5.00%	7.00%	7.00%
Europe	6.00%	6.00%	7.00%	7.00%
Europe Hedged (in US dollars)		3.00%		3.00%
Pan European Small Companies	3.00%	3.00%	4.00%	4.00%
US Large Companies	9.50%	4.25%	11.40%	6.15%
US Small Companies	5.50%	5.50%	7.20%	7.20%
Factor Allocation US Equity	15.10%	15.10%	18.60%	18.60%
Japan	5.00%	5.00%	6.00%	6.00%
Japan Hedged (in US dollars)		2.25%		2.25%
Pacific Basin ex-Japan	3.00%	3.00%	4.00%	4.00%
Emerging Markets	12.00%	12.00%	16.00%	16.00%
Fixed Interest				
Emerging Markets	6.00%	11.00%		
High Yield	6.00%	1.00%		
Global Credit	2.00%	2.00%		
Global Government	1.80%	1.80%		
Global Short Duration				
Global Short Term				
Income				
Multi-Asset Income				
Inflation Sensitive				
Inflation-Linked Bonds	2.00%	2.00%		
Commodities	2.00%	2.00%		
Absolute Return				
Liquid Alternatives				
Liquidity				
Cash and Cash Equivalents				

A blue-shaded cell (white font) represents an overweight position; a grey-shaded cell (black font) represents an underweight position versus the strategic weight. Figures shown represent the total target active weight (i.e. strategic weight +/- overweight/underweight).

“Current” column represents weights as at 31 March 2018 and do not represent current allocations. Please contact SEI for current allocations.

Fund Risks

The investment risks described below are not exhaustive and potential investors should carefully review the Prospectus prior to investing. The risks described below may apply to the underlying assets of the products into which they invest.

- Investment in equity securities in general are subject to market risks that may cause their prices to fluctuate over time.
- Fixed-income securities are subject to credit risk and may also be subject to price volatility and may be sensitive to interest-rate fluctuations.
- Absolute return investments utilise aggressive investment techniques which may increase the volatility of returns. If the correlation between absolute return investments and other asset classes within the fund increases, absolute return investments’ expected diversification benefits may be decreased.

Important Information

This document is for Professional Client use only.

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The Portfolio Funds may invest in a combination of other SEI and Third-Party Funds as well as in additional manager pools based on asset classes. These manager pools are separately managed by external Portfolio Managers and are monitored by SEI. One cannot directly invest in these manager pools.

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The Portfolio Funds may invest substantially in other SEI Funds, Third-Party Funds and manager pools. The risks described below may apply to the underlying assets of the products into which they invest: Investments in equity securities in general are subject to market risks that may cause prices to fluctuate over time; fixed income securities are subject to credit risk and may also be subject to price volatility and may be sensitive to interest rate fluctuations; bonds or money market instruments are sensitive to inflation rate trends; Absolute return investments utilise aggressive investment techniques which may increase the volatility of returns. If the correlation between absolute return investments and other asset classes within the fund increases, absolute return investments' expected diversification benefits may be decreased.

Data refers to past performance. Past performance is not a reliable indicator of future results. Investments in the Portfolio Funds are generally medium- to long-term investments. The value of an investment and any income from it can go down as well as up. Returns may increase or decrease as a result of currency fluctuations. Investors may get back less than the original amount invested. Derivative instruments may be used for hedging purposes and/or investment purposes. Any market commentary is an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events.

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