

Asset Allocation Changes

SEI Strategic Portfolios

Fourth 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 tactical asset allocation, which aims to take advantage of short-term market opportunities.

No changes were made to the tactical or strategic asset allocations of the SEI Strategic Portfolios (the Funds) in the fourth quarter. The following tables provide a comparison of the Funds' target active weights relative to their strategic (long-term, neutral target) weights as at 31 December 2018:

	Defensive		Conservative		Moderate	
	Strategic (%)	Current (%)	Strategic (%)	Current (%)	Strategic (%)	Current (%)
Equities						
Global Managed Volatility	8.00%	8.00%	17.75%	17.75%	27.35%	27.35%
UK			2.00%	2.00%	7.00%	7.00%
Fixed Interest						
Emerging Markets (half hedged)***	1.00%	2.00%	3.00%	5.00%	4.50%	7.50%
High Yield (hedged)*	1.00%	0.00%	3.00%	1.00%	4.50%	1.50%
Global Credit (hedged)*	4.00%	4.00%	5.50%	5.50%	6.50%	6.50%
Global Government (hedged)*	4.00%	4.00%	5.50%	5.50%	6.50%	6.50%
Passive Global Short Term (hedged)*	19.00%	19.00%	13.88%	13.88%	5.68%	4.68%
Global Short Duration (hedged)*	19.00%	19.00%	13.88%	13.88%	12.43%	12.43%
UK	5.00%	5.00%	8.50%	8.50%	10.00%	10.00%
Income						
Multi-Asset Income (hedged)*	5.00%	5.00%	7.00%	7.00%	5.50%	5.50%
Inflation Sensitive						
Inflation-Linked Bonds	1.50%	1.50%	2.50%	2.50%	2.50%	2.50%
Commodities	1.50%	2.00%	2.50%	3.00%	3.00%	4.00%
Absolute Return						
Liquid Alternatives	1.00%	1.00%	3.00%	3.00%	4.30%	4.30%
Liquidity						
Cash and Cash Equivalents	30.00%	29.50%	12.00%	11.50%	0.25%	0.25%
Currency						
GBP**		0.50%		1.00%		1.50%
USD**		-0.50%		-1.00%		-1.50%

*Obtained by investing in a hedged sterling-denominated share class

**Implemented through a long sterling/short US dollar currency forward designed to neutralise unintended currency effects of the emerging-markets fixed interest overweight/high yield underweight

***Obtained by investing the asset class's US dollar-denominated allocation in a hedged sterling-denominated share class

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).

	Core		Balanced		Growth		Aggressive	
	Strategic (%)	Current (%)	Strategic (%)	Current (%)	Strategic (%)	Current (%)	Strategic (%)	Current (%)
Equities								
Global Managed Volatility	8.00%	8.00%	5.00%	5.00%	3.00%	3.00%		
Global Equity	6.10%	6.10%	7.94%	7.94%	10.05%	10.05%	13.73%	13.73%
UK	13.44%	13.44%	17.36%	17.36%	21.84%	21.84%	29.00%	29.00%
Europe	1.21%	1.21%	2.51%	2.51%	3.52%	3.52%	4.87%	4.87%
Pan European Small Companies	1.26%	1.26%	1.88%	1.88%	2.52%	2.52%	3.00%	3.00%
US Large Companies	1.27%	1.27%	4.07%	4.07%	6.29%	6.29%	9.13%	9.13%
US Small Companies	2.43%	2.43%	2.63%	2.63%	3.07%	3.07%	3.63%	3.63%
Factor Allocation US Equity	3.70%	3.70%	6.70%	6.70%	9.35%	9.35%	12.75%	12.75%
Japan	1.10%	1.10%	2.00%	2.00%	2.80%	2.80%	3.80%	3.80%
Pacific Basin ex-Japan	0.63%	0.63%	1.31%	1.31%	1.84%	1.84%	2.55%	2.55%
Emerging Markets	3.86%	3.86%	4.59%	4.59%	5.72%	5.72%	7.30%	7.30%
Fixed Interest								
Emerging Markets (half hedged)***	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%		
High Yield (hedged)*	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%		
Global Credit (hedged)*	7.00%	7.00%	5.50%	5.50%	3.50%	3.50%		
Global Government (hedged)*	7.00%	7.00%	5.25%	5.25%	3.25%	3.25%		
Passive Global Short Term (hedged)*	2.00%	2.00%						
Global Short Duration (hedged)*	1.75%	1.75%						
UK	11.50%	11.50%	6.00%	6.00%				
Other								
Global Dynamic Asset Allocation	5.00%	5.00%	6.00%	6.00%	8.00%	8.00%	10.00%	10.00%
Income								
Multi-Asset Income (hedged)*	3.00%	3.00%	2.00%	2.00%				
Inflation Sensitive								
Inflation-Linked Bonds	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Commodities	3.50%	3.50%	3.00%	3.00%	1.00%	1.00%		
Absolute Return								
Liquid Alternatives	2.00%	2.00%	2.00%	2.00%				
Liquidity								
Cash and Cash Equivalents	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%

*Obtained by investing in a hedged sterling-denominated share class

**Implemented through a long sterling/short US dollar currency forward designed to neutralise unintended currency effects of the emerging-markets fixed interest overweight/high yield underweight

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Fund Risks

The investment risks described below are not exhaustive and potential investors should carefully review the Prospectus prior to investing. Diversification does not ensure a profit or guarantee against a loss. 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.

Glossary

Beta: Beta is a measure of sensitivity to movements in the market. High beta stocks are more sensitive to movements in the broad market. Low-beta stocks are less sensitive.

Fundamentals: Fundamentals refers to data that can be used to assess a country or company's financial health such as amount of debt, level of profitability, cash-flow, inventory size, etc.

Hedging: Hedging is an investment technique that attempts to limit potential losses due to swings in the market values (price changes) of stocks, bonds, commodities or currencies. This is generally achieved by purchasing equally weighted and opposite exposure in two different markets.

Long Position: A long position is positioning to gain from future strength of a particular security or currency.

Short position: A short position is positioning to gain from future weakness of a particular security or currency.

Important Information

The SEI Strategic Portfolios are a series of the SEI Funds and 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 pools of assets from the respective Strategic Portfolio separately managed by Portfolio Managers which are monitored by SEI. One cannot directly invest in these manager pools.

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