

# FAQ:

## Russian-related holdings and exposure



15 March 2022

This FAQ is designed to help provide perspective on the current Russia/Ukraine crisis.

Q. Do I have any exposure to Russian-related securities remaining in my portfolio?

A. In order to ensure that our response is clear, we need to define several terms, including:

- Russian-related **securities**, as defined by SEI (and aligned with the definitions used by major index providers and other data providers) are:
  - i) Securities listed on an exchange domiciled in Russia, Ukraine or Belarus;
  - ii) Securities listed on an exchange outside of these countries but that derive an extensive portion of their business from Russian, Ukrainian or Belorussian operations;
  - iii) Debt issued by Russian, Ukrainian or Belorussian public or private entities.
- Russian-related **holdings** are Russian-related stocks or bonds owned by an SEI Fund, regardless of value.
- Russian-related **exposure** refers to the value of the Russian-related holdings stated as a percentage of the value of the Fund as a whole.

The value of Russian securities has steeply declined as the market has absorbed domestic and international sanctions against Russia, actions by index providers, and suspension of trading of certain Russian securities.

Any portfolio that had holdings in Russian-related securities when the Russian financial markets closed still owns those holdings. However, in terms of exposure, those holdings currently have little or no value. If your portfolio includes Russian-related securities that are all valued at \$0, you have Russian-related holdings but your current exposure is zero.

It is important to keep in mind that if and when Russian financial markets reopen, securities that are currently valued at zero could rise in price. By regulation, security valuations are required to be based on the fair market value (FMV) of securities, and cannot be based on political views or an intention to avoid exposure to Russian-related securities. Therefore, if the FMV of Russian securities increases, then a portfolio that includes Russian holdings will also see its value rise in tandem. The portfolio's corresponding exposure to Russia will also increase. In other words, the Russian exposure in the portfolio could increase even though there have been no additional purchases of Russian-related securities.

Q. I do not want Russian holdings in my portfolio. How can I remove them today?

A. Western countries are currently unable to sell Russian securities. If it is imperative for you to remove Russian holdings from your portfolio immediately, and you own a pooled product (such as a mutual fund or ETF) that still holds Russian-related securities, you will need to trade out of that mutual fund or ETF.

For example, an emerging-market debt fund with Russian holdings may be sold and replaced by a core fixed income fund with no Russian holdings.

If you own Russia-related securities in a separate account, you will be unable to liquidate those holdings unless and until they become tradeable again.

- Q. Which SEI Funds have holdings in Russia-related securities and what is the current exposure (value) of those holdings in those portfolios?
- A. As at 28 February 2022 (the most recent date that the Funds' holdings are publicly available), the Funds listed below had exposure to Russian-related securities. Due to the illiquidity in these holdings, the Funds still held those securities on 7 March 2022. Their exposures (values) are shown below.

<b>Fund name</b>	<b>Exposure (value) stated as a percentage of the value of the fund as a whole, as at 28 February 2022</b>	<b>Exposure (value) stated as a percentage of the value of the fund as a whole, as at 7 March 2022</b>
SGAF Euro Aggressive Fund	0.02	0.00
SGIF Global Select Equity Fund	0.28	0.01
SGMF Emerging Markets Debt Fund	3.02	0.65
SGMF Emerging Markets Equity Fund	0.90	0.02
SGMF European Ex-UK Equity Fund	0.21	0.00
SGMF Factor Allocation Global Equity Fund	0.22	0.00
SGMF Global Fixed Income Fund	0.18	0.04
SGMF Global Multi-Asset Income Fund	0.07	0.04
SGMF Global Opportunistic Fixed Income Fund	0.00	-0.01
SGMF Global Short Duration Bond Fund	-0.05	-0.05
SGMF U.K. Equity Fund	0.38	0.09
SGMF U.S. Fixed Income Fund	0.06	0.04
SGMF UK Quantitative Equity Fund	0.69	0.20

NOTE: The negative exposures are a result of currency forwards that were included in the final calculation.

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