

Manager Announcement

July 2018

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New answers.®

Fiera Capital Brings a Quality-Driven Approach to Additional SGMF and SGIF Funds

Fiera Capital Corporation (Fiera) has been added as a sub-advisor for the SGMF Global Equity Fund and SGIF Global Select Equity Fund as of July 3, 2018. We believe that Fiera will deliver good implementation of the stability alpha source.

Addition of Fiera

What They Do

Fiera's philosophy is longer-term-oriented and focused on purchasing high-quality businesses that can compound their returns on capital faster than the market, thus generating superior returns. While other investment managers share this philosophy, Fiera differentiates itself through a deeper focus on quality above standard balance-sheet ratios, and by its heavy scrutiny of a company's position in the industry, resulting pricing power and management culture.

How They Do It

Fiera uses a global screening process and ranking methodology for its portfolio construction. Its portfolio is highly concentrated and constructed one stock at a time. Quality-driven portfolio construction is based on the evaluation of each company's qualitative, valuation and growth characteristics.

The initial investable universe for the strategy is 3,000 U.S. companies, which is whittled down to 450 companies using a quantitative screen. The resulting portfolio is comprised of between 25 and 40 stocks.

About Fiera

Founded in 2003, Montreal-based Fiera is an independent asset management firm. As at 31 March 2018, the firm had more than US\$131 billion in assets under management

Why We Chose Them

- **Deep quality:** Fiera understands the importance of quality-driven investments in capturing the stability alpha source. The team places considerable emphasis and scrutiny on qualitative factors for its investment criteria
- **Disciplined execution:** Fiera's investment team delivers a disciplined and rigorous approach to investing. Therefore, the portfolio is highly concentrated and each stock must pass rigorous investment criteria.
- **Stability focus:** Fiera's philosophy demonstrates a strong commitment to stability as an alpha-source. The team fully understands the most important factors when screening and ranking stocks during portfolio construction.

Glossary of Financial Terms

Alpha source: Alpha source is a term used by SEI as part of our internal classification system to categorize and evaluate investment managers in order to build diversified fund portfolios. An alpha source is the investment approach taken by an active investment manager in an effort to generate excess returns. Another way to define an alpha source is that it is the inefficiency that an active investment manager seeks to exploit in order to add value.

Stability: Stability refers to stocks that are considered to be resistant to market volatility and provide consistent returns through market fluctuations.

Qualitative: Qualitative refers to security analysis based on analyst research and subjective views.

Quantitative: Quantitative refers to analysis based on computer-driven models.

IMPORTANT NOTE: The opinions and views contained in this document are solely those of SEI and are subject to change; descriptions relating to organisational structure, teams, and investment processes herein may differ significantly from those prescribed by underlying managers regarding their own investment houses and investments.

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