

T. Rowe Price Group Brings Rigorous Active Investment Approach to the SGMF High Yield Fixed Income Fund

T. Rowe Price Group, Inc. (TRP) has been added to the SGMF High Yield Fixed Income Fund (the Fund). We like the firm's experienced investment team and approach, which emphasises fundamental credit research and opportunistically accessing smaller, under-researched credit issuers. TRP's smaller team and asset size allows for efficient decision making, a higher degree of flexibility as it relates to credit quality and industry positioning and a relatively concentrated best-ideas portfolio.

Addition of T. Rowe Price

What They Do

TRP takes a disciplined, active approach based on bottom-up fundamental analysis, careful stock selection, risk awareness, a well-resourced global research platform and teamwork. The team's investment decisions are backed by a powerful security purchasing research platform. Its global search for competitive performance attempts to carefully balance both risk and reward.

How They Do It

TRP focuses on fundamental, bottom-up security selection based on relative-value assessments within and across industries. A high-intensity selection process, combined with concentrated, conviction-weighted positions, allows the portfolio to optimise relative value.

About TRP

Founded in 1937 and headquartered in Baltimore, Maryland, TRP is an investment management firm with offices in sixteen countries. As at 31 January 2018, the firm had US\$1.05 trillion in assets under management.

Why We Chose Them

- **Concentrated Portfolio:** The portfolio is concentrated relative to its peers with 75-200 securities and the portfolio managers recognise the importance of conviction-weighted positions in relation to size.
- **Credit Quality:** TRP seeks to identify relative-value opportunities across issuers due to size and credit quality.
- **Macro-aware factors:** TRP seeks to take advantage of credit-exposure adjustments by leveraging macroeconomic factors in assessing industry and sector weighting.

Glossary of Financial Terms

Bottom-Up: Bottom-up managers focus on individual stock selection instead of the overall economic environment.

Fundamental: Fundamental refers to the method of evaluating a security in attempt to measure its intrinsic value.

Macroeconomic: Macroeconomic refers to the broad economy of a country or region, or the global economy.

Quantitative: Quantitative refers to the use of mathematical measurements and calculations, statistical modelling and research.

Relative Value: Relative value is a method of determining an asset's value that takes into account the value of similar assets.

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Important Information:

Data refers to past performance. Past performance is not a reliable indicator of future results.

Investments in SEI 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. Investors may get back less than the original amount invested. Returns may increase or decrease as a result of currency fluctuations. Additionally, this investment may not be suitable for everyone. If you should have any doubt whether it is suitable for you, you should obtain expert advice.

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