

FAQ: Update

Russian-related holdings and exposure



April 8, 2022

This FAQ is designed to help provide an update on the current Russia/Ukraine crisis. While little has changed geopolitically, the value of Russian-related securities has continued to decline.

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 steeply declined in the aftermath of the invasion as the market absorbed domestic and international sanctions against Russia, actions by index providers, and suspension of trading of certain Russian securities. They have declined further as the war drags on.

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. This can be seen clearly in the holdings chart where columns show 0 exposure.

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 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. The chart below highlights exposure at the end of February and the end of March. Due to the illiquidity in these holdings, the Funds that had Russian-related holdings at the end of February still have them at the end of March. As previously noted, a portfolio holding Russian-related securities that are all valued at \$0, still has Russian-related holdings but the current exposure is zero because they have no value. This can be seen clearly in the holdings chart where columns show 0 exposure.

Fund name	Exposure (value) stated as a percentage of the value of the fund as a whole, as at 28 February 2022	Exposure (value) stated as a percentage of the value of the fund as a whole, as at 31 March 2022
SGAF Euro Aggressive Fund	0.02	0.00
SGIF Global Select Equity Fund	0.28	0.00
SGMF Emerging Markets Debt Fund	3.02	1.47
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	0.01
SGMF Global Multi-Asset Income Fund	0.07	0.08
SGMF Global Opportunistic Fixed Income Fund	0.00	0.00
SGMF Global Short Duration Bond Fund	-0.05	0.00
SGMF U.K. Equity Fund	0.38	0.16
SGMF U.S. Fixed Income Fund	0.06	0.06
SGMF UK Quantitative Equity Fund	0.69	0.34

Important Information

Information issued in the UK by SEI Investments (Europe) Limited, 1st Floor, Alphabeta, 14-18 Finsbury Square, London EC2A 1BR which is authorised and regulated by the Financial Conduct Authority. Investments in SEI Funds are generally medium- to long-term investments.

The offer or invitation to subscribe for or purchase shares of the Sub-Funds (the “Shares), which is the subject of this Information Memorandum, is an exempt offer made only: (i) to “institutional investors” pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the “Act”), (ii) to “relevant persons” pursuant to Section 305(1) of the Act, (iii) to persons who meet the requirements of an offer made pursuant to Section 305(2) of the Act, or (iv) pursuant to, and in accordance with the conditions of, other applicable exemption provisions of the Act.

SIEL has appointed SEI Investments (Asia) Limited (SEIAL) of Suite 904, The Hong Kong Club Building, 3 Jackson Road, Central, Hong Kong as the sub-distributor of the SEI UCITS funds. SEIAL is licensed for Type 4 and 9 regulated activities under the Securities and Futures Commission (“SFC”)

This information is being made available in Hong Kong by SEIAL. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This information is made available in Latin America FOR PROFESSIONAL (non-retail) USE ONLY by SIEL.

Any questions you may have in relation to its contents should solely be directed to your Distributor. If you do not know who your Distributor is, then you cannot rely on any part of this document in any respect whatsoever.

SIEL is not licensed under Israel's Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 5755-1995 (the "Advice Law") and does not carry insurance pursuant to the Advice Law. No action has been or will be taken in Israel that would permit a public offering or distribution of the SEI Funds mentioned in this email to the public in Israel. This commentary and any of the SEI Funds mentioned herein have not been approved by the Israeli Securities Authority (the "ISA").

Issued in South Africa by SEI Investments (South Africa) (Pty) Limited FSP No. 13186 which is a financial services provider authorised and regulated by the Financial Sector Conduct Authority (FSCA). Registered office: 3 Melrose Boulevard, 1st Floor, Melrose Arch 2196, Johannesburg, South Africa.