

Managed Volatility Shines In Challenging Markets

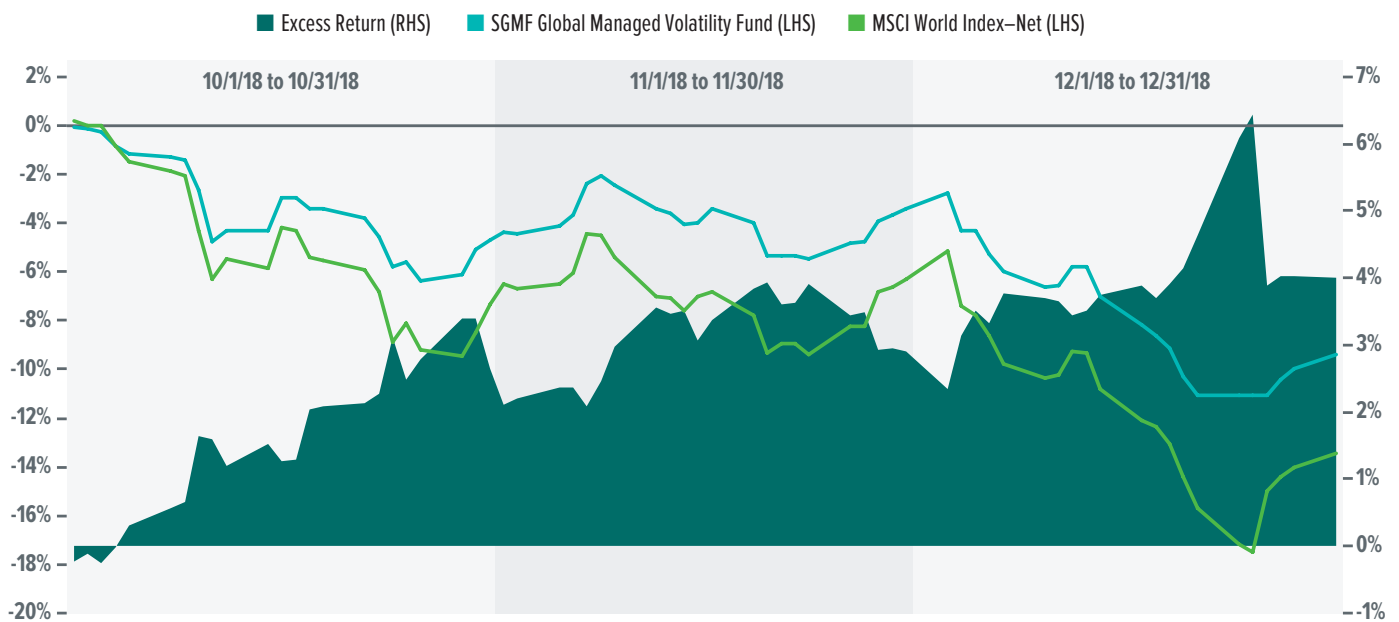
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Snapshot

- Volatility picked up significantly in the final days of 2018.
- In this environment, the Global Managed Volatility Fund performed as intended.
- SEI, a leader in managed volatility investing, has historically promoted its use as part of a diversified portfolio.

While corrections and bear markets are a normal part of investing, investors do not like to lose 10%, 20% or possibly more of their assets associated with these types of declines. One way to help dampen the impact of market downturns is to invest in managed volatility strategies that focus on more-stable companies with less potential downside risk. Exhibit 1 shows cumulative performance from 1 October to 31 December 2018 for the SGMF Global Managed Volatility Fund, the MSCI World Index, and the excess return of the Fund over the Index. Despite negative absolute performance, the Fund significantly outperformed the MSCI World Index, to the tune of 4%, during the fourth-quarter market turmoil. The Fund also reduced risk, posting a more than 11% reduction in volatility (standard deviation) over the Index.

Exhibit 1: SGMF Global Managed Volatility Fund Cumulative Performance (USD Inst Class Net)



Source: SEI, MSCI. 1/10/18 – 31/12/18.
All performance is in USD.

Note: The fund did not price on 24/12/18 - 26/12/18 due to holidays. The index however priced on these days, resulting in temporary performance dispersions. Data refers to past performance. Past performance is not a reliable indicator of future results.

See table on page 3 for standardised SGMF Global Managed Volatility Fund – USD Inst class performance.

SEI's Strategies

When stock prices are rising, investors often question the value of diversification in general and, more specifically, of managed volatility strategies. SEI has been a steadfast supporter of both diversification and managed volatility. We have always maintained that markets can turn quickly and that, when they do, diversification—including exposure to managed volatility—can help to soften the impact.

As a pioneer in the space, SEI offers several managed-volatility strategies that have a primary objective of realizing less volatility than the overall stock market. By doing so, we hope to experience smaller drawdowns than the market when stocks sell off. And while we don't normally expect them to outperform the broader market in the long-term, our strategies do seek equity market-like returns. When these two objectives are met, a managed-volatility approach should produce attractive risk-adjusted returns compared to the stock market as a whole. Recent weeks have provided a clear and concise illustration of how a well-designed managed-volatility strategy can benefit investors during turbulent periods.

Standardised Performance as at 31 December 2018

	1/1/18 – 31/12/18 (%)	1/1/17 – 31/12/17 (%)	1/1/16 – 31/12/16 (%)	1/1/15 – 31/12/15 (%)	1/1/14 – 31/12/14 (%)
SGMF Global Managed Volatility Fund–USD Inst Class	-6.25	18.12	9.13	1.46	9.12
MSCI World Index (Net) in USD	-8.71	22.40	7.51	-0.87	4.94

Source: SEI, MSCI

Date of inception is 17/9/10.

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