

# Manager Announcement

August 2017

SEI New ways.  
New answers.®

## SNAM Brings Stability-Oriented Focus on Consistent Earnings Growth to SGMF Global Equity Fund

Sompo Japan Nipponkoa Asset Management Company, Ltd. (SNAM) has been added to the SGMF Global Equity Fund as at 15 August 2017.

### Addition of SNAM

#### What They Do

SNAM, an intrinsic-value investor for more than 20 years, invests in securities whose market behaviour they believe provides exploitable discrepancies between long-term intrinsic value and market price.

SNAM's investment team focuses on companies' mid- to long-term profitability and believes that intrinsic value is best defined by assets' future cash returns.

#### How They Do It

SNAM's investment universe is comprised of 700 stocks whose market capitalisation is greater than ¥20 billion and a daily trading volume of greater than ¥20 million.

Portfolio construction takes into account three elements: expected alpha rank, catalysts and analyst recommendation. The resultant portfolio consists typically of between 40 and 80 stocks. Turnover is expected to be about 70%, which we believe is a result of SNAM's rigid buy/sell discipline.

The investment team meets weekly for research discussions and monthly for portfolio construction meetings.

#### About SNAM

As the 100% owned asset management subsidiary of Sompo Japan Nipponkoa Holdings Group, the second-largest property insurance group in Japan, SNAM was founded in 1986. Headquartered in Tokyo, the firm has offices in London and New York. As at 31 December 2015, the firm had 155 employees and more than ¥2.68 billion in assets under management.

### Why We Chose Them

- **Streamlined and consistent research focus:** SNAM's investment process entails a series of assessments that is quite comprehensive in its coverage (macro, sector trend, business growth, risk and corporate governance). These inputs are encapsulated in a well-designed framework that transforms the qualitative perspectives into a set of comparable and quantifiable attributes.
- **Disciplined portfolio construction process:** Portfolio construction is highly disciplined with clearly defined buy and sell trigger. The process is guided by a focus of relative valuation and therefore ensures the adherence to value bias.
- **Efficient management of opportunity costs:** With catalyst as the driving consideration for ultimate stock selection and sizing decisions, the manager seems to have better skills in timing the buy and sell decisions compared to many value peers, who tend to be generally early in buy and sell.

**Glossary of Financial Terms:**

- **Alpha:** Alpha refers to returns in excess of the benchmark.
- **Intrinsic value:** Intrinsic value managers do not compare a stock against a benchmark, but aim to determine the underlying value of a company as a stand-alone entity.
- **Qualitative:** Qualitative refers to security analysis based on analyst research and subjective views.

**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.

**Important Information:**

Past performance is not an indicator of future performance.

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. 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.

No offer of any security is made hereby. Recipients of this information who intend to apply for shares in any SEI Fund are reminded that any such application may be made solely on the basis of the information contained in the Prospectus. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the funds or any stock in particular, nor should it be construed as a recommendation to purchase or sell a security, including futures contracts.

In addition to the normal risks associated with equity investing, international investments may involve risk of capital loss from unfavourable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Bonds and bond funds are subject to interest rate risk and will decline in value as interest rates rise. High yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments. Narrowly focused investments and smaller companies typically exhibit higher volatility. SEI Funds may use derivative instruments such as futures, forwards, options, swaps, contracts for differences, credit derivatives, caps, floors and currency forward contracts. These instruments may be used for hedging purposes and/or investment purposes.

While considerable care has been taken to ensure the information contained within this document is accurate and up-to-date, no warranty is given as to the accuracy or completeness of any information and no liability is accepted for any errors or omissions in such information or any action taken on the basis of this information.

This information is issued 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. Please refer to our latest Full Prospectus (which includes information in relation to the use of derivatives and the risks associated with the use of derivative instruments), Key Investor Information Documents and latest Annual or Semi-Annual Reports for more information on our funds. This information can be obtained by contacting your Financial Adviser or using the contact details shown above.