Fourth Quarter 2019

Private Client Strategies

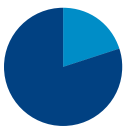
SEI New ways. New answers.®

Stability-Focused Strategies

The Stability-Focused Strategies are designed for investors who are trying to protect against losses while working toward a more comfortable level of growth.

Short Term

Objective: Short time horizon in which protection of capital takes precedence.

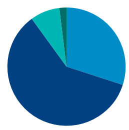


80% Fixed Income
40% Conservative Income
20% Short Duration Government
10% Real Return
10% Government Money Market

20% Multi-Asset Funds
20% Multi-Asset Capital Stability

Defensive

Objective: Risk management takes precedence over capital appreciation.



2% Alternative
2% Multi-Strategy Alternative

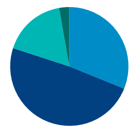
8% Equity
5% Global Managed Volatility
3% U.S. Managed Volatility

60% Fixed Income
29% Short Duration Government
15% Conservative Income
6% Core Fixed Income
5% Real Return
5% Government Money Market

30% Multi-Asset Funds
20% Multi-Asset Capital Stability
5% Multi-Asset Inflation Managed
5% Multi-Asset Income

Conservative

Objective: Balance of risk management and capital appreciation.



3% Alternative
3% Multi-Strategy Alternative

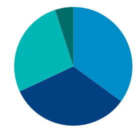
17% Equity
11% Global Managed Volatility
6% U.S. Managed Volatility

49% Fixed Income
14% Short Duration Government
11% Core Fixed Income
9% Conservative Income
4% Real Return
4% Ultra Short Duration Bond
3% High Yield Bond
3% Emerging Markets Debt
1% Government Money Market

31% Multi-Asset Funds
17% Multi-Asset Capital Stability
6% Multi-Asset Income
5% Multi-Asset Inflation Manged
3% Multi-Asset Accumulation

Moderate

Objective: Emphasis on growth with secondary objective of risk management.



5% Alternative
5% Multi-Strategy Alternative

27% Equity
15% Global Managed Volatility
9% U.S. Managed Volatility
3% Large Cap

33% Fixed Income
14% Core Fixed Income
6% Short Duration Government
3% High Yield Bond
3% Emerging Markets Debt
3% Ultra Short Duration Bond
3% Real Return
1% Government Money Market

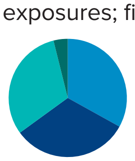
35% Multi-Asset Funds
15% Multi-Asset Accumulation
10% Multi-Asset Capital Stability
5% Multi-Asset Inflation Managed
5% Multi-Asset Income

Growth-Focused Strategies

The Growth-Focused Strategies are designed for investors who seek to steadily accumulate assets at a rate consistent with their risk tolerance relative to their goal. These strategies capitalize on SEI's expertise in asset allocation and allow investors to simultaneously hold broad equity and fixed income to enhance potential performance or manage risk.

Core Market

Objective: Growth through broad equity and fixed-income exposures; fixed-income tilt.



4% Alternative
4% Multi-Strategy Alternative

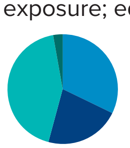
31% Equity
10% Large Cap
10% International Equity
5% Dynamic Asset Allocation
3% Emerging Markets Equity
3% Small Cap

32% Fixed Income
21% Core Fixed Income
5% High Yield Bond
5% Emerging Markets Debt
1% Government Money Market

33% Multi-Asset Funds
20% Multi-Asset Accumulation
8% Multi-Asset Inflation Managed
5% Multi-Asset Income

Market Growth

Objective: Growth through broad equity and fixed-income exposure; equity tilt.



3% Alternative
3% Multi-Strategy Alternative

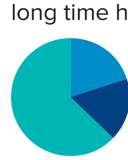
43% Equity
15% International Equity
15% Large Cap
6% Dynamic Asset Allocation
4% Emerging Markets Equity
3% Small Cap

22% Fixed Income
11% Core Fixed Income
5% High Yield Bond
5% Emerging Markets Debt
1% Government Money Market

32% Multi-Asset Funds
20% Multi-Asset Accumulation
8% Multi-Asset Inflation Managed
4% Multi-Asset Income

Aggressive

Objective: Maximum growth of assets over long time horizons.



63% Equity
21% Large Cap
21% International Equity
8% Dynamic Asset Allocation
7% Emerging Markets Equity
6% Small Cap

17% Fixed Income
6% High Yield Bond
6% Emerging Markets Debt
4% Core Fixed Income
1% Government Money Market

20% Multi-Asset Funds
20% Multi-Asset Accumulation

Equity

Objective: Maximum growth of assets over long time horizons; diversified global equities.

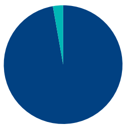
100% Equity
36% Large Cap
33% International Equity
11% Small Cap
10% Dynamic Asset Allocation
9% Emerging Markets Equity
1% Government Money Market

Tax-Managed Stability-Focused Strategies

The Tax-Managed Stability-Focused Strategies are designed for investors who are trying to protect against losses while working toward a more comfortable level of growth. Tax-efficiency is a primary objective.

Tax-Managed Short Term

Objective: Short time horizon in which protection of capital takes precedence.

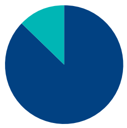


3% Equity
3% Tax-Managed Managed Volatility

97% Fixed Income
40% Short Duration Municipal
40% Tax-Free Conservative Income
10% Government Money Market
4% Intermediate Term Municipal
3% Tax-Advantaged Income

Tax-Managed Defensive

Objective: Risk management takes precedence over capital appreciation.

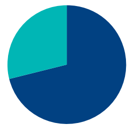


13% Equity
8% Tax-Managed Managed Volatility
5% Tax-Managed International Managed Volatility

87% Fixed Income
51% Short Duration Municipal
15% Tax-Free Conservative Income
9% Intermediate Term Municipal
7% Tax-Advantaged Income
5% Government Money Market

Tax-Managed Conservative

Objective: Balance of risk management and capital appreciation.

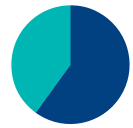


29% Equity
14% Tax-Managed Managed Volatility
10% Tax-Managed International Managed Volatility
5% Tax-Managed Large Cap

71% Fixed Income
39% Short Duration Municipal
12% Intermediate Term Municipal
10% Tax-Advantaged Income
9% Tax-Free Conservative Income
1% Government Money Market

Tax-Managed Moderate

Objective: Emphasis on growth with secondary objective of risk management.



40% Equity
16% Tax-Managed Managed Volatility
11% Tax-Managed International Managed Volatility
7% Tax-Managed Large Cap
3% Tax-Managed Small/Mid Cap
3% International Equity

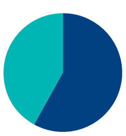
60% Fixed Income
23% Short Duration Municipal
23% Intermediate Term Municipal
10% Tax-Advantaged Income
3% Emerging Markets Debt
1% Government Money Market

Tax-Managed Growth-Focused Strategies

The Tax-Managed Growth-Focused Strategies are designed for investors who seek to steadily accumulate assets at a rate consistent with their risk tolerance relative to their goal. These tax-managed strategies capitalize on SEI's expertise in asset allocation and allow investors to simultaneously hold broad equity and fixed income to enhance potential performance or manage risk. Tax-efficiency is a primary objective.

Tax-Managed Core Market

Objective: Growth through broad equity and fixed-income exposures; fixed-income tilt.

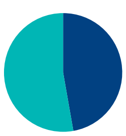


42% Equity
25% Tax-Managed Large Cap
10% International Equity
5% Tax-Managed Small/Mid Cap
2% Emerging Markets Equity

58% Fixed Income
43% Intermediate Term Municipal
10% Tax-Advantaged Income
4% Emerging Markets Debt
1% Government Money Market

Tax-Managed Market Growth

Objective: Growth through broad equity and fixed-income exposure; equity tilt.

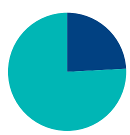


53% Equity
30% Tax-Managed Large Cap
13% International Equity
7% Tax-Managed Small/Mid Cap
3% Emerging Markets Equity

47% Fixed Income
32% Intermediate Term Municipal
9% Tax-Advantaged Income
5% Emerging Markets Debt
1% Government Money Market

Tax-Managed Aggressive

Objective: Maximum growth of assets over long time horizons.

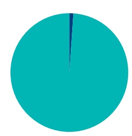


76% Equity
42% Tax-Managed Large Cap
18% International Equity
11% Tax-Managed Small/Mid Cap
5% Emerging Markets Equity

24% Fixed Income
10% Intermediate Term Municipal
8% Tax-Advantaged Income
5% Emerging Markets Debt
1% Government Money Market

Tax-Managed Equity

Objective: Maximum growth of assets over long time horizons; diversified global equities.



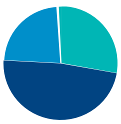
99% Equity
46% Tax-Managed Large Cap
33% International Equity
11% Tax-Managed Small/Mid Cap
9% Emerging Markets Equity

1% Fixed Income
1% Government Money Market

Income-Focused Strategies

Income Strategy

Objective: Supports investment goals that seek to generate total return with an emphasis on income.



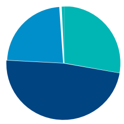
28% Equity
18% Global Managed Volatility
10% U.S. Managed Volatility

49% Fixed Income
18% High Yield Bond
18% Emerging Markets Debt
12% Core Fixed Income
1% Government Money Market

23% Multi-Asset
23% Multi-Asset Income

Tax-Managed Income Strategy

Objective: Supports investment goals that seek to generate total return with an emphasis on income. The Strategy may use tax-management techniques to manage the impact of taxes.



28% Equity
19% Tax-Managed Managed Volatility
9% Tax-Managed International Managed Volatility

49% Fixed Income
18% Emerging Markets Debt
18% Tax-Advantage Income
12% Intermediate Term Municipal
1% Government Money Market

23% Multi-Asset
23% Multi-Asset Income

Economic Backdrop

- Equity and fixed-income markets around the globe wrapped up 2019 with above-average annual performance, giving investors the gift of optimism as they rang in the New Year.
- China and the U.S. settled on a limited "phase-one" trade agreement in mid-December. The deal is expected to provide China with tariff relief and the U.S. with agricultural purchases, assurances that China will address forced technology transfer practices, and greater access to the Chinese financial services industry.
- Figuring out how investors might react to shifting conditions is almost always a challenging exercise. With that in mind, as always, we retain our emphasis on long-term, strategic investing over tactical reactions to short-term events.

The final quarter of 2019 could be taken as a microcosm of the full year and, for that matter, the entire decade. Each period began in the wake of volatile, confidence-testing equity-market selloffs, yet proceeded to soar dramatically—overshooting far beyond the point of recovery.

Equity and fixed-income markets around the globe wrapped up the decade with above-average annual performance, giving investors the gift of optimism as they rang in the New Year. Developed-market equities generally performed quite well for the 12-month period relative to historical averages; U.S. shares shined the brightest, maintaining their dominance of the past decade. Although emerging-market equities lagged for the year and the decade, they outpaced their developed-market counterparts for the final quarter of 2019.

The riskiest segments of the fixed-income universe (high-yield bonds and emerging-market debt) along with U.S. investment-grade corporates outperformed all other fixed-income segments around the globe in 2019. Local-currency emerging-market debt was the star of the fourth quarter; however, over the last decade it lagged its hard-currency counterpart, as well as high yield and U.S. investment-grade corporates.

Government bond rates declined over the full year across all maturities in the U.S., U.K. and eurozone. However, government bond rates climbed across the yield curve in the U.K. and eurozone during the fourth quarter. In the U.S., long-term Treasury rates rose but short-term rates fell during the three-month period, resulting in a steeper yield curve that all-but vanquished an inversion that began in late 2018.

The U.S. and China settled on a limited "phase-one" trade agreement in mid-December, which the countries' leaders agreed to formally sign by mid-January. The deal includes the following provisions:

A commitment from China to purchase about $50 billion in U.S. agricultural goods over a two-year period; assurances that China will address its long-standing practice of forcing the transfer of intellectual property and technology to Chinese counterparts in exchange for access to the Chinese market; and a promise to continue opening its financial-services industry to foreign investors.
A reduction of existing U.S. tariffs on Chinese goods (from 15% to 7.5% on $110 billion of goods, with another $240 billion of goods still subject to 25% tariffs); a delay in the imposition of additional tariffs that were previously scheduled for December 15.

Also in December, President Donald Trump's administration finally secured bipartisan support in the House of Representatives (the House) for the US-Mexico-Canada Agreement (USMCA) to replace the North American Free Trade Agreement—one year after the three countries' respective leaders signed the deal. This win for the administration came just one day after the House approved articles of impeachment against Trump—making him the third U.S. president in history to be impeached (the political equivalent of a criminal indictment). As the culmination of a three-month investigation, President Trump was formally charged with abuse of power (using the power of the presidency for his own benefit) and obstruction of Congress (blocking Congress's investigation into his alleged wrongdoing). An impeachment of a U.S. president does not equal removal from office; this is determined in the Senate (the upper chamber of Congress), where a trial must be held once the House passes on the articles. The process was suspended at year end as House leaders said they plan to hold the documents until the Senate agrees to certain trial rules.

The UK's Conservative Party consolidated its power in a mid-December election—winning a majority of seats in the House of Commons and gaining approval for Prime Minister Boris Johnson's EU departure deal. The country is set to officially leave the EU at the end of January 2020, giving way to an 11-month transition period during which the U.K. and EU will negotiate the terms of their future relationship. Ursula von der Leyen, president of the European Commission, expressed concern in late December that the transition period may not be long enough and that an extension could be necessary; Johnson previously said he will not tolerate a longer transition period.

Central Banks

- The Federal Open Market Committee (FOMC) cut the federal-funds rate by 0.25% in October, its third cut in as many meetings. In mid-October, the U.S. central bank also made its first monthly purchase of $60 billion in Treasury bills as part of a programme to increase liquidity in the financial system. The FOMC left the federal-funds rate unchanged at its December meeting and noted that "the vast majority of the committee expects to leave rates unchanged next year before very gradually raising rates toward neutral over the next three years." This quote encapsulates the expectations contained in the Federal Reserve's (Fed) final Summary of Economic Projections for 2019, which depicted slowing growth and firming inflation over the next two years.
- The Bank of England (BOE) announced its next Governor in late December following the Conservative election victory. Andrew Bailey, current head of the Financial Conduct Authority, whose working history with the BOE began in 1985, will lead the central bank starting in March 2020. The Monetary Policy Committee held firm through its November and December meetings—keeping its key interest rate unchanged at 0.75%. However, two out of nine committee members voted for a 0.25% rate reduction at both meetings, representing the first glimmers of a

preference for a rate cut since the immediate aftermath of the Brexit vote in 2016.

- The European Central Bank (ECB) took no new actions in its final two monetary policy meetings of the decade, held in October (the last with Mario Draghi as President) and December (the first with Christine Lagarde at the helm). However, there was a shift in focus from one leader to another: As Draghi's tenure came to a close, he offered a defence of the ECB's policy move toward further accommodation; Lagarde began her watch by announcing a broad policy review that raises fundamental questions about the central bank's mandate as well as whether it can influence other areas (including disruptive technologies, cryptocurrencies, and climate change).
- The Bank of Japan made no changes to its accommodative monetary policy stance at its October and December meetings, despite expectations that it would introduce additional easing measures to offset the economic pressure created by an October increase in the country's consumption tax.
- The People's Bank of China (PBOC) announced in late December that the Loan Prime Rate (LPR) will serve as the benchmark for existing floating-rate loans beginning in 2020 and that banks will no longer be allowed to sign loan contracts based on previous benchmark rates. This change was taken as an easing measure, as the PBOC trimmed the one-year LPR to 4.15% in mid-November for the third cut in recent months. As the ball dropped in Times Square to signify the end of the decade, the PBOC announced its latest cut (of 0.5%) to bank reserve-requirement ratios, freeing about $115 billion (U.S. dollars) for bank lending.

Economic Data

- U.S. manufacturing continued to slide further into contraction territory throughout the fourth quarter ending 2019 at the lowest level of activity in a decade, according to one purchasing manager survey. The services sector increased its growth pace to finish the year at moderately healthy levels. The U.S. unemployment rate fell to 3.5% in November, the lowest rate in 50 years. Overall U.S. economic growth was measured at an annualized 2.1% rate in the third quarter, an uptick from preliminary readings of 2%.
- The slowdown in U.K. manufacturing worsened in December, contracting for the eighth consecutive month. U.K. services sector activity also slowed further into contraction territory, although to the same degree as manufacturing. The U.K. claimant-count unemployment rate continued an upward trend that persisted through most of the year, reaching 3.5% in November; meanwhile, the three-month average U.K. unemployment rate remained relatively steady throughout most of 2019, holding firm at 3.8% in the August-to-October period. Average year-over-year U.K. earnings growth for the August-to-October period continued to decline to 3.5% after peaking at 3.9% over the summer. Overall third-quarter U.K. economic growth measured 0.4% (and 1.1% year over year), up from earlier estimates of 0.3% for the quarter (and 1.0% year over year), and rebounding from the 0.2% contraction in the second quarter.
- The eurozone manufacturing landscape eroded further into contraction territory during December, having spent every month of 2019 besides January in contraction. On the positive side, services sector activity accelerated in the final month of the year to healthier growth levels. The eurozone unemployment rate finished October at 7.5%, in line with its pace for much of 2019 after edging lower early in the year. Overall eurozone economic growth held firm at 0.2% during the third quarter and 1.2% year over year.

Stability-Focused and Income Strategies (Class F) Performance Trend Report

Name	Inception Date	Performance as of 12/31/2019		Annualized Total Return as of 12/31/2019					Calendar Returns as of December 31				
		3 Mo	Ytd	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception	2019	2018	2017	2016	2015
Short Term	12/31/2009	0.68	3.53	3.53	1.94	1.32	1.07	1.07	3.53	0.94	1.37	0.81	-0.04
Defensive	7/31/2006	1.13	6.23	6.23	2.90	2.23	2.39	1.59	6.23	-0.30	2.87	2.65	-0.16
Conservative	7/31/2006	1.70	9.43	9.43	4.30	3.38	3.95	2.28	9.43	-1.61	5.39	4.30	-0.24
Moderate	7/31/2006	2.40	13.67	13.67	6.03	4.59	5.57	3.78	13.67	-3.30	8.44	6.28	-1.19
Income	10/31/2016	3.04	15.38	15.38	6.95			6.68	15.38	-3.91	10.34		
TM Short Term	12/31/2009	0.52	2.82	2.82	1.79	1.17	0.98	0.98	2.82	1.03	1.52	0.13	0.35
TM Defensive	7/31/2006	1.11	5.29	5.29	3.01	2.28	2.86	2.97	5.29	0.08	3.72	1.22	1.19
TM Conservative	7/31/2006	2.12	8.93	8.93	4.77	3.71	4.89	4.33	8.93	-1.21	6.86	2.66	1.63
TM Moderate	7/31/2006	3.04	12.26	12.26	6.20	4.74	6.25	5.16	12.26	-2.83	9.81	3.26	1.90
TM Income	10/31/2016	3.17	14.51	14.51	7.03			6.36	14.51	-3.44	10.90		

Stability-Focused and Income Strategies

The Stability-Focused and Income Strategies were all positive in the fourth quarter. With the exception of U.S. investment-grade bonds, which were essentially flat, all non-cash allocations contributed to performance. Fixed-income markets had to deal with generally higher yields (prices and yields move inversely) and allocations with more sensitivity to interest rates struggled the most, while shorter term allocations performed better. High-yield bond allocations were positive as yield spreads (the difference between their yields and U.S. Treasury bonds of similar maturity) compressed noticeably following announcement of the “phase one” trade deal. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar.

Tax-Managed Stability-Focused and Income Strategies

The Tax-Managed Stability-Focused and Tax-Managed Income Strategies were all positive in the fourth quarter. With the exception of U.S. investment-grade bonds, which were essentially flat, all allocations contributed to performance. Fixed-income markets had to deal with generally higher yields (prices and yields move inversely) and allocations with more sensitivity to interest rates struggled the most, while shorter term allocations performed better. High-yield bond allocations were positive as yield spreads (the difference between their yields and U.S. Treasury bonds of similar maturity) compressed noticeably following announcement of the “phase one” trade deal. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar. Exposure to municipal bonds, which performed well due to lower rates and declining risk premiums, contributed. Municipal fixed-income markets had to deal with generally higher yields, and allocations with more sensitivity to interest rates struggled the most, while shorter-term allocations performed better.

The performance data shown is past performance. Past performance is no guarantee of future results. The investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Performance assumes investment at the beginning of the period indicated and includes reinvestment of dividends and other earnings. It reflects all SEI recommended reallocations and changes among the funds, including changes in investment managers and funds included in the strategy. Information on allocations among funds, reallocations and strategy changes is available upon request. Strategy performance shown is not meant to represent any individual client account. Strategy performance is net of fees charged by SEI, but does not reflect any fee your advisor may charge which would reduce returns. See Performance Information section for important information on this calculation.

Growth-Focused Strategies (Class F) Performance Trend Report

Name	Inception Date	Performance as of 12/31/2019		Annualized Total Return as of 12/31/2019					Calendar Returns as of December 31				
		3 Mo	Ytd	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception	2019	2018	2017	2016	2015
Core Market	7/31/2006	4.10	16.88	16.88	6.96	4.91	5.93	4.58	16.88	-6.35	11.79	7.64	-3.49
Market Growth	7/31/2006	5.17	18.81	18.81	7.83	5.44	6.69	4.60	18.81	-7.69	14.33	7.75	-3.55
Aggressive	7/31/2006	6.82	22.29	22.29	9.47	6.51	8.13	5.14	22.29	-9.79	18.92	8.60	-3.77
Equity	12/31/2009	9.24	24.94	24.94	10.67	7.35	9.32	9.32	24.94	-11.90	23.15	7.56	-2.20
TM Core Market	7/31/2006	4.13	15.35	15.35	7.61	5.42	6.93	5.56	15.35	-4.09	12.64	3.34	1.12
TM Market Growth	7/31/2006	5.08	17.36	17.36	8.36	5.78	7.96	5.84	17.36	-5.51	14.73	4.33	-0.24
TM Aggressive	7/31/2006	6.99	21.56	21.56	9.93	6.77	9.17	6.23	21.56	-8.14	18.98	6.12	-1.57
TM Equity	12/31/2009	8.90	24.63	24.63	10.91	7.34	9.82	9.82	24.63	-11.42	23.60	6.27	-1.73

Growth-Focused Strategies

The Growth-Focused Strategies were all positive in the fourth quarter, as the majority of asset classes saw positive returns during the period. The Fed cut rates three times in 2019 and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson’s conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed but is still expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. International and emerging-markets equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies.

Tax-Managed Growth-Focused Strategies

The Tax-Managed Growth-Focused Strategies were all positive in the fourth quarter, as the majority of asset classes saw positive returns during the period. The Fed cut rates three times in 2019 and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson’s conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed but is still expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. International and emerging-markets equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies. Municipal fixed-income markets had to deal with generally higher yields (prices and yields move inversely), and allocations with more sensitivity to interest rates struggled the most, while shorter-term allocations performed better.

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Portfolio Positioning and Opportunities

U.S. equities jumped sharply during the last three months of 2019. Small-cap stocks outpaced large caps; however, our active large-cap strategies performed well relative to their benchmarks, while our small-cap strategies underperformed. Within large caps, we benefitted from generally favorable security selection across sectors, as well as an underweight to utilities and an overweight to health care; positioning within information technology and an overweight to consumer staples detracted. We lagged within small caps due to our orientation toward higher quality, lower beta holdings with cheaper valuations. Additionally, an underweight to biotechnology companies was a significant detractor. Our international developed-market equity strategy performed well in an environment that mirrored the steep climb of U.S. equities. Selection within Europe ex-U.K. was beneficial, especially within consumer staples, financials and information technology. An underweight to and selection within financials in the Pacific ex-Japan region contributed, as did selection in the region's real estate sector. In the U.K., financials led performance, particularly banks. Selection within Japan hurt, especially within information technology and health care. Our emerging-market equity strategy slightly lagged the strongest-performing area of global equities during the fourth quarter. Poor selection within consumer discretionary (retailers) and an underweight to large internet retailers detracted. Selection within information technology (specifically semiconductors) and financials (especially in banks) contributed, as did selection in materials within emerging Asia.

Our core fixed-income strategy modestly outpaced its benchmark during the fourth quarter as U.S. investment-grade non-government fixed-income sectors led comparable U.S. Treasurys. An overweight to the long end of the yield curve contributed for the full year, but detracted for the quarter as the 30-year U.S. Treasury yield moved higher during the three-month period. A slight overweight to corporate bonds was additive for the quarter as spreads narrowed. An allocation to non-agency mortgage-backed securities (MBS) contributed as well, but less so than in recent quarters. Overweighting agency MBS was also beneficial for the three-month period. Selection in asset-backed securities (ABS) detracted, primarily an allocation to government-guaranteed student loans. A beneficial overweight to commercial MBS (CMBS) was partially offset by an unfavorable higher quality bias during the quarter. An underweight to taxable municipal bonds detracted as demand for higher quality investments remained strong despite an uptick in supply. Our high-yield strategy performed in line with the benchmark during the fourth quarter, benefitting from overweights to retail, media and an underweight to basic industry. An allocation to collateralized loan obligations (CLOs), a large underweight to energy, and an underweight to health care detracted. Within emerging-market debt, our strategy performed well versus the benchmark during the fourth quarter. Overweighting local-currency debt within our emerging-market debt strategy and underweighting foreign-currency debt contributed, given that local-currency debt was the best-performing fixed-income segment in the fourth quarter. At the country level, overweights to Ukraine, Egypt and Russia helped; an underweight to Thailand detracted, as did overweights to Argentina and Venezuela. In currency terms, an overweight to the Mexican peso was the greatest contributor, while an underweight to the South African rand was the most significant detractor.

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Our View

A year ago, many investors were licking their wounds following a sharp global stock-market correction. Today, we are confronted with a notably different market backdrop, as share prices generally ended 2019 near their highs of the year. With regard to the U.S. economy, our expectations turned out to be mildly optimistic. But we think it's worth pointing out that quarter-to-quarter fluctuations in the country's seasonally adjusted gross domestic product (GDP) growth have remained on a relatively narrow path compared to their far more volatile historical range. One reason for the lower volatility was steady growth in U.S. household spending. By contrast, the contribution to real U.S. GDP growth from investment, both residential and non-residential, has been in a slowing trend; the pace of business spending in the country has eased dramatically since early 2018. On the positive side, the absence of an investment boom means there should be little to no hangover; even if a recession were to develop in the next year or so, we believe it almost certainly will not be especially painful.

Across the pond, Prime Minister Johnson's decision to hold a snap election paid off. He now enjoys the largest Tory majority in Parliament since 1987, when Margaret Thatcher was re-elected Prime Minister for a third term. The victory eliminated the possibility of a dramatic remaking of the British economy as envisioned by the Labour party—and decreased the likelihood of a hung Parliament, which could have prolonged the uncertainty surrounding Brexit.

Of course, uncertainty still remains. The U.K. now must negotiate its future trading relationship with the EU by the end of 2020. A no-deal Brexit would provide a substantial negative shock to merchandise trade because dealings with the EU would revert to the most-favored-nation rules of the World Trade Organization. Trade in financial services, a category critical to the UK's economic well-being, would be saddled with increased regulations, paperwork and costs.

It continues to be our working assumption that a no-deal Brexit will be avoided, although it may take an extension of the transition period to effect a deal that minimizes the disruption. Although Boris Johnson has already announced his intention to exit the transition period at the December 31 deadline.

For Europe, we accurately anticipated a further slowdown in economic growth over 2019. While we were right on the economy, we were perhaps too bearish on European risk assets. The MSCI Europe ex UK Index enjoyed an exceptional return in 2019 despite a still-significant disparity in economic growth between the U.S. and the Continent.

We think it may make sense to look past the current gloom when it comes to Europe. The lessening of trade tensions and improvement in China's economic growth should provide export-dependent Europe with a moderate boost in 2020.

Government policy also is geared toward encouraging growth. There are signs that ECB policy is having some positive impact. The banking system is slowly recuperating. Lending to households and businesses has been in a modestly accelerating trend over the past few years. There also is more serious discussion nowadays about easing fiscal policy. Even Jens Weidman, President of the Deutsche Bundesbank, member of the Governing Council of the ECB, and a long-time hawk, has recently felt comfortable backing calls for government spending. Perhaps there's hope that fiscal policy will turn into a tailwind for eurozone growth instead of a steady headwind.

Our expectation that emerging-market economies would enjoy a decent 2019 didn't pan out. First, we thought an economic turnaround in China was just around the corner. The country had been pushing through various monetary, fiscal and structural reform measures aimed at jumpstarting economic growth, and we assumed that the Chinese government would go back to the debt well if needed. This happened only to a limited extent.

Of course, one big problem impeding the recovery in Chinese economic growth is the running trade battle with the U.S. We have frequently made the argument that an all-encompassing trade war between China and the U.S. would be in neither countries' interest. The economic and political reverberations would simply be too painful. And so, the agreement on a "phase-one" deal at least helps lower the temperature and halts the tit-for-tat tariff escalations. We expect the truce will hold through the 2020 U.S. presidential election. If we're right, China's economy should be able to build upon the tentative pick-up in growth that has begun to show up in the economic data.

Looking at the big picture for the year ahead, we expect the U.S. and global economies to continue growing, but at a sluggish pace. This should keep inflation under control and encourage central banks to remain accommodative. Quantitative easing also should help keep fixed-income yields relatively steady even as government deficit spending picks up. Altogether, this scenario should be positive for risk assets.

We've summarized the major themes for 2020, as well as outstanding questions that could cause markets to behave in ways that run counter to our positioning:

- The U.S. is converging with the rest of the world as U.S. economic and profits growth decline. Given the disparity in stock-market valuations, international markets are expected to outperform U.S. equities.
- China's economy should stabilize and improve. The partial US/China trade-war truce and a steady progression of fiscal and monetary stimulus measures over the past two years should pay off in 2020. Early signs of improvement are already apparent, which should boost the economic prospects of trade-dependent economies.
- The U.S. dollar should reverse convincingly by losing value relative to other currencies. The Fed's pivot toward an aggressive approach to supporting the overnight lending market has the potential to significantly increase the global supply of dollars. Since we believe the dollar is overvalued on a fundamental basis, its depreciation is a high-conviction call. This would be a tailwind for non-U.S. economies and financial

markets.

- The value style should prevail. Modest improvement in global economic growth, a tendency for inflation and interest rates to move higher and the record disparity in valuation between the most- and least-expensive stocks should lead to a better result for value-oriented active managers.
- We foresee less Brexit uncertainty, assuming a trade deal can be reached between the EU and U.K. We expect rationality to prevail, but a no-deal Brexit remains a residual risk. As the year-end 2020 transition deadline nears, U.K. and European markets could experience renewed volatility if the negotiations appear to be foundering on irreconcilable differences.
- Presidential politics could roil equity markets in the U.S. and elsewhere. A sense of which Democratic nominee will face Donald Trump in the coming U.S. presidential election should get clearer in March, when 25 states and Puerto Rico go to the polls; California and Texas, plus 12 other states, will hold their primary elections on Super Tuesday, March 3.
- The impact of Fed policy is a potential wildcard. While we don't see it as a likely outcome, the central bank's dovish stance at a time of full employment could cause a "melt-up" in stock prices. In our view, another stellar year for U.S. equities in 2020 would be a source of concern rather than celebration.

Equities and other risky assets are generally not well-correlated with the fundamentals in the short run; investor expectations can change much more quickly and far more dramatically than the fundamentals. Indeed, as seen in the past two years, changes in investor expectations can sometimes completely negate the change in the fundamentals.

With that in mind, we retain our emphasis on strategic investing over tactical moves. We will also continue to take stock of the economic and financial developments around the globe and provide our thoughts on where global growth and interest rates are headed. That's actually the easy part, as the experience of the last few years illustrates. Figuring out how investors might react to the shifts in macroeconomic conditions is almost always the much harder exercise.

Short Term Strategy

Investment Objective

The Private Client Short Term Strategy supports investment goals that seek to maintain principal over a short-term horizon. The Strategy's assets are invested in one or more underlying SEI Funds that primarily hold short-term fixed-income securities issued by the U.S. government and high-quality, non-government money market instruments. Investments include inflation indexed-bonds and other U.S. government agencies and instrumentalities.

Allocation (%)	Fund Name	Contribution to Return (%)
40	SIMT Conservative Income	0.17
20	Short-Duration Government	0.07
20	Multi-Asset Capital Stability	0.29
10	Real Return	0.11
10	Government Fund	0.04

Q. How did the Strategy perform?

- The Short Term Strategy returned 0.68% for the quarter.

Q. What were the main drivers of performance?

- Short-term yields in fixed income declined during the quarter, as the Fed cut rates by 0.25%. The yield curve, however, steepened (measured by 10-year versus 3-month Treasury yields) as long-term rates rose

Q. What is the active positioning within the multi-asset Funds?

- *Multi-Asset Capital Stability:* During the quarter, the Fund increased risk by raising equity exposure to above-average levels. Nominal bond exposure was reduced, and overall duration ended the quarter below the Fund’s benchmark. The Fund’s managers believe the current market environment should favor risk assets given the Fed's dovish pivot on interest rates, along with the change in stance by the European Central Bank. These shifts should also support global sovereign bonds, since rates are expected to remain lower for a longer time. One risk to the Fund would be a sudden change in policy by the Fed where we experience a "taper tantrum" scenario, similar to what occurred in 2013.

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Defensive Strategy

Investment Objective

The Private Client Defensive Strategy supports investment goals that seek to manage risk of loss. The Strategy's assets are invested in one or more underlying SEI Funds that primarily hold U.S. short-term investment-grade fixed-income securities, including mortgage-backed securities. The Strategy invests to a lesser extent in underlying SEI Funds that primarily hold U.S. and/or foreign non-investment-grade fixed-income securities, common stocks and securities of real estate companies.

Allocation (%)	Fund Name	Contribution to Return (%)
29	Short-Duration Government	0.10
20	Multi-Asset Capital Stability	0.29
15	SIMT Conservative Income	0.06
6	Core Fixed Income Fund	0.02
5	Real Return	0.06
5	Global Managed Volatility	0.17
5	Government Fund	0.02
5	Multi-Asset Inflation Managed	0.11
5	Multi-Asset Income	0.13
3	U.S. Managed Volatility	0.16
2	Multi Strategy Alternative	0.01

Q. How did the Strategy perform?

- The Defensive Strategy returned 1.13% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative "phase one" trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson's conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed, but is still expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. Low-volatility equities tend to help reduce risk (as measured by standard deviation, or how far returns fall from their historical average), but at the cost of trailing the broader equity markets during strong up markets. Given this, low-volatility equities performed in line with expectations and delivered attractive risk-adjusted returns. International equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies.
- With the exception of U.S. investment-grade bonds, which were essentially flat, all allocations contributed to performance. Fixed-income markets had to deal with generally higher yields (prices and yields move inversely) and allocations with more sensitivity to interest rates struggled the most, while shorter term allocations performed better. High-yield bond allocations were positive as yield spreads (the difference between their yields and U.S. Treasury bonds of similar maturity) compressed noticeably following announcement of the "phase one" trade deal. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar.

Q. What is the active positioning within the multi-asset Funds?

- *Multi-Asset Capital Stability:* During the quarter, the Fund increased risk by raising equity exposure to above-average levels. Nominal bond exposure was reduced, and overall duration ended the quarter below the Fund's benchmark. The Fund's managers believe the current market environment should favor risk assets given the Fed's dovish pivot on interest rates, along with the change in stance by the ECB. These shifts should also support global sovereign bonds, since rates are expected to remain lower for a longer time. One risk to the Fund would be a sudden change in policy by the Fed where we experience a "taper tantrum" scenario, similar to what occurred in 2013.
- *Multi-Asset Income:* The Fund is positioned opportunistically with significant allocations to high-yield bonds, emerging-market debt and investment-grade credit. The Fund's managers are constructive on credit in 2020 but have modest expectations for spread tightening given the strong performance in 2019.
- *Multi-Asset Inflation-Managed:* The Fund's positioning reflects the belief that prospects for higher inflation have been largely written off by the markets based on the low levels of inflation expectations.

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Conservative Strategy

Investment Objective

The Private Client Conservative Strategy supports investment goals that seek growth while managing risk of loss. The Strategy's assets are invested in one or more underlying SEI Funds that primarily hold U.S. short-term investment-grade fixed income securities, including mortgage-backed securities. The Strategy invests to a lesser extent in underlying SEI Funds that primarily hold U.S. and/or foreign non-investment-grade fixed-income securities, common stocks and securities of real estate companies.

Allocation (%)	Fund Name	Contribution to Return (%)
17	Multi-Asset Capital Stability	0.25
14	Short-Duration Government	0.05
11	Global Managed Volatility	0.38
11	Core Fixed Income Fund	0.03
9	SIMT Conservative Income	0.04
6	U.S. Managed Volatility	0.31
6	Multi-Asset Income	0.16
5	Multi-Asset Inflation Managed	0.11
4	Real Return	0.05
4	Ultra Short Duration Bond	0.02
3	Emerging Markets Debt Portfolio	0.13
3	High Yield Bond	0.08
3	Multi Strategy Alternative	0.01
3	Multi-Asset Accumulation	0.08
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Conservative Strategy returned 1.70% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Moving into 2020, global growth is expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors lagged. Low-volatility equities delivered attractive risk-adjusted returns. International equities were spurred on by positive news flow.
- With the exception of U.S. investment-grade bonds, which were essentially flat, all non-cash allocations contributed to performance. Fixed-income markets had to deal with generally higher yields (prices and yields move inversely) and allocations with more sensitivity to interest rates struggled the most, while shorter term allocations performed better. High-yield bond allocations were positive as yield spreads compressed noticeably following announcement of the “phase one” trade deal. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar

Q. What is the active positioning within the multi-asset Funds?

- *Multi-Asset Capital Stability:* During the quarter, the Fund increased risk by raising equity exposure to above-average levels. Nominal bond exposure was reduced, and overall duration ended the quarter below the Fund’s benchmark. The Fund’s managers believe the current market environment should favor risk assets given the Fed's dovish pivot on interest rates, along with the change in stance by the ECB. These shifts should also support global sovereign bonds, since rates are expected to remain lower for a longer time.
- *Multi-Asset Income:* The Fund is positioned opportunistically with significant allocations to high-yield bonds, emerging-market debt and investment-grade credit. The Fund’s managers are constructive on credit in 2020 but have modest expectations for spread tightening.
- *Multi-Asset Accumulation:* The Fund provides exposure to major assets in equities, global sovereign bonds and real assets. The Fund’s managers believe the current market environment should favor risk assets given the Fed's dovish pivot on interest rates, along with the change in stance by the ECB. These shifts should also support global sovereign bonds.
- *Multi-Asset Inflation-Managed:* The Fund’s positioning reflects the belief that prospects for higher inflation have been largely written off by the markets based on the low levels of inflation expectations.

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Moderate Strategy

Investment Objective

The Private Client Moderate Strategy supports investment goals that seek growth while managing the risk of loss. The Strategy's assets are invested in underlying SEI Funds that primarily hold U.S. and/or foreign common stocks and/or U.S. short-term investment-grade fixed-income securities, including mortgage-backed securities. The Strategy invests to a lesser extent in underlying SEI Funds that primarily hold U.S. and/or foreign non-investment-grade fixed-income securities and securities of real estate companies.

Allocation (%)	Fund Name	Contribution to Return (%)
15	Global Managed Volatility	0.52
15	Multi-Asset Accumulation	0.40
14	Core Fixed Income Fund	0.04
10	Multi-Asset Capital Stability	0.15
9	U.S. Managed Volatility	0.47
6	Short-Duration Government	0.02
5	Multi Strategy Alternative	0.02
5	Multi-Asset Inflation Managed	0.11
5	Multi-Asset Income	0.13
3	Large Cap	0.28
3	Real Return	0.03
3	Emerging Markets Debt Portfolio	0.13
3	High Yield Bond	0.08
3	Ultra Short Duration Bond	0.02
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Moderate Strategy returned 2.40% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Moving into 2020, global growth is expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors lagged. Low-volatility equities delivered attractive risk-adjusted returns. International equities were spurred on by positive news flow.
- With the exception of U.S. investment-grade bonds, which were essentially flat, all non-cash allocations contributed to performance. Fixed-income markets had to deal with generally higher yields (prices and yields move inversely) and allocations with more sensitivity to interest rates struggled the most, while shorter term allocations performed better. High-yield bond allocations were positive as yield spreads compressed noticeably following announcement of the “phase one” trade deal. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar

Q. What is the active positioning within the multi-asset Funds?

- *Multi-Asset Accumulation:* The Fund provides exposure to major assets in equities, global sovereign bonds and real assets. The Fund’s managers believe the current market environment should favor risk assets given the Fed's dovish pivot on interest rates, along with the change in stance by the ECB. These shifts should also support global sovereign bonds, since rates should remain lower for a longer time.
- *Multi-Asset Capital Stability:* During the quarter, the Fund increased risk by raising equity exposure to above-average levels. Nominal bond exposure was reduced, and overall duration ended the quarter below the Fund’s benchmark. The Fund’s managers believe the current market environment should favor risk assets given the Fed's dovish pivot on interest rates, along with the change in stance by the ECB. These shifts should also support global sovereign bonds, since rates are expected to remain lower for a longer time.
- *Multi-Asset Income:* The Fund is positioned opportunistically with significant allocations to high-yield bonds, emerging-market debt and investment-grade credit. The Fund’s managers are constructive on credit in 2020 but have modest expectations for spread tightening.
- *Multi-Asset Inflation-Managed:* The Fund’s positioning reflects the belief that prospects for higher inflation have been largely written off by the markets based on the low levels of inflation expectations.

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Core Market Strategy

Investment Objective

The Private Client Core Market Strategy supports investment goals that seek growth while maintaining broad equity and fixed income market participation. The Strategy's assets are invested in underlying SEI Funds that primarily hold U.S. and/or foreign common stocks and U.S. short-term investment-grade fixed-income securities, including mortgage-backed securities. The Strategy will invest to a lesser extent in underlying SEI Funds that primarily hold U.S. and/or foreign non-investment-grade fixed-income securities and securities of real estate companies.

Allocation (%)	Fund Name	Contribution to Return (%)
21	Core Fixed Income Fund	0.06
20	Multi-Asset Accumulation	0.54
10	Large Cap	0.93
10	International Equity	0.92
8	Multi-Asset Inflation Managed	0.17
5	Emerging Markets Debt Portfolio	0.22
5	High Yield Bond	0.13
5	Multi-Asset Income	0.13
5	Dynamic Asset Allocation Fund	0.39
4	Multi Strategy Alternative	0.02
3	Small Cap	0.24
3	Emerging Markets Equity	0.35
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Core Market Strategy returned 4.10% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Moving into 2020, global growth is expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors lagged. International and emerging-markets equities were spurred on by positive news flow and accommodative central-bank policies.
- With the exception of U.S. investment-grade bonds, which were essentially flat, all non-cash allocations contributed to performance. Fixed-income markets saw generally higher yields (prices and yields move inversely) and shorter-term allocations with less sensitivity to interest rates performed better than longer-term positions. High-yield bond allocations were positive as yield spreads compressed noticeably following announcement of the “phase one” trade deal. Local-currency emerging-markets (EM) debt outperformed hard-currency EM debt.

Q. What is the active positioning within the multi-asset Funds?

- *Multi-Asset Accumulation:* The Fund provides exposure to major assets in equities, global sovereign bonds and real assets. The Fund’s managers believe the current market environment should favor risk assets given the Fed's dovish pivot on interest rates, along with the change in stance by the ECB. These shifts should also support global sovereign bonds.
- *Dynamic Asset Allocation Fund*: The Fund’s greatest risk exposure was its position favoring emerging markets and developed-market international equities over U.S. equities. The trade was initiated during the quarter based on our views of a rebounding global economy and reductions in political risks. At the same time, a short S&P 500 Index position was eliminated. A long yen against short euro trade, viewed as a potential “risk-off” hedge, was reduced in the fourth quarter. The potential bottoming of economic growth declines, optimism over the “phase-one” U.S.-China trade deal and asymmetric Fed policy are several positive events that have in our view reduced risks in the capital markets. The Fund also initiated call options on the iShares MSCI Emerging Markets ETF during the quarter, as we believe valuations for emerging-market equities are attractive. A U.S. yield-curve steepener and long U.S. dollar against short Saudi Arabian riyal trade were both maintained during the quarter.
- *Multi-Asset Income:* The Fund is positioned opportunistically with significant allocations to high-yield bonds, emerging-market debt and investment-grade credit. The Fund’s managers are constructive on credit in 2020 but have modest expectations for spread tightening.
- *Multi-Asset Inflation-Managed:* The Fund’s positioning reflects the belief that prospects for higher inflation have lessened.

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Market Growth Strategy

Investment Objective

The Private Client Market Growth Strategy supports investment goals that seek growth while maintaining broad equity and fixed-income market participation. The Strategy's assets are invested in underlying SEI Funds that primarily hold U.S. and/or foreign common stocks and U.S. short-term investment-grade fixed-income securities, including mortgage-backed securities. The Strategy invests to a lesser extent in underlying SEI Funds that primarily hold U.S. and/or foreign non-investment-grade fixed-income securities and securities of real estate companies.

Allocation (%)	Fund Name	Contribution to Return (%)
20	Multi-Asset Accumulation	0.55
15	Large Cap	1.40
15	International Equity	1.38
11	Core Fixed Income Fund	0.03
8	Multi-Asset Inflation Managed	0.17
6	Dynamic Asset Allocation Fund	0.47
5	Emerging Markets Debt Portfolio	0.22
5	High Yield Bond	0.13
4	Emerging Markets Equity	0.46
4	Multi-Asset Income	0.11
3	Small Cap	0.24
3	Multi Strategy Alternative	0.01
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Market Growth Strategy returned 5.17% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Moving into 2020, global growth is expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors lagged. International and emerging-markets equities were spurred on by positive news flow.
- With the exception of U.S. investment-grade bonds, which were essentially flat, all non-cash allocations contributed to performance. Fixed-income markets had to deal with generally higher yields (prices and yields move inversely) and shorter-term allocations with less sensitivity to interest rates performed better than longer-term positions. High-yield bond allocations were positive as yield spreads compressed noticeably following announcement of the “phase one” trade deal. Local-currency emerging-markets debt outperformed hard-currency emerging-markets debt as many local currencies rallied versus the U.S. dollar.

Q. What is the active positioning within the multi-asset Funds?

- *Multi-Asset Accumulation:* The Fund provides exposure to major assets in equities, global sovereign bonds and real assets. The Fund’s managers believe the current market environment should favor risk assets given the Fed's dovish pivot on interest rates, along with the change in stance by the ECB. These shifts should also support global sovereign bonds.
- *Dynamic Asset Allocation Fund*: The Fund’s greatest risk exposure was its position favoring emerging markets and developed-market international equities over U.S. equities. The trade was initiated during the quarter based on our views of a rebounding global economy and reductions in political risks. At the same time, a short S&P 500 Index position was eliminated. A long yen against short euro trade, viewed as a potential “risk-off” hedge, was reduced in the fourth quarter. Optimism over the “phase-one” U.S.-China trade deal and an asymmetric Fed policy are positive events that have in our view reduced risks in the capital markets. The Fund also initiated call options on the iShares MSCI Emerging Markets ETF during the quarter, as we believe valuations for emerging-market equities are attractive. A U.S. yield-curve steepener and long U.S. dollar against short Saudi Arabian riyal trade were both maintained during the quarter.
- *Multi-Asset Income:* The Fund is positioned opportunistically with significant allocations to high-yield bonds, emerging-market debt and investment-grade credit. The Fund’s managers are constructive on credit in 2020 but have modest expectations for spread tightening.
- *Multi-Asset Inflation-Managed:* The Fund’s positioning reflects the belief that prospects for higher inflation have lessened.

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Aggressive Strategy

Investment Objective

The Private Client Aggressive Strategy supports investment goals that seek maximum growth over long-term horizons. The Strategy's assets are invested in underlying SEI Funds that primarily hold U.S. and/or foreign common stocks and other equity securities. The Strategy invests to a lesser extent in underlying SEI Funds that primarily hold U.S. and/or foreign fixed-income securities of varying quality and securities of real estate companies.

Allocation (%)	Fund Name	Contribution to Return (%)
21	Large Cap	1.98
21	International Equity	1.94
20	Multi-Asset Accumulation	0.55
8	Dynamic Asset Allocation Fund	0.63
7	Emerging Markets Equity	0.81
6	Small Cap	0.48
6	Emerging Markets Debt Portfolio	0.26
6	High Yield Bond	0.16
4	Core Fixed Income Fund	0.01
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Aggressive Strategy returned 6.82% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative "phase one" trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson's conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed but is still expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. International and emerging-markets equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies.
- With the exception of U.S. investment-grade bonds, which were essentially flat, all non-cash allocations contributed to performance. Fixed-income markets had to deal with generally higher yields (prices and yields move inversely) and allocations with more sensitivity to interest rates struggled the most, while shorter term allocations performed better. High-yield bond allocations were positive as yield spreads (the difference between their yields and U.S. Treasury bonds of similar maturity) compressed noticeably following announcement of the "phase one" trade deal. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar.

Q. What is the active positioning within the multi-asset Funds?

- *Multi-Asset Accumulation:* The Fund provides exposure to major assets in equities, global sovereign bonds and real assets. The Fund's managers believe the current market environment should favor risk assets given the Fed's dovish pivot on interest rates, along with the change in stance by the ECB. These shifts should also support global sovereign bonds, since rates should remain lower for a longer time. One risk to the Fund would be a sudden change in policy by the Fed where we experience a "taper tantrum" scenario, similar to what occurred in 2013. Otherwise, we believe the current environment should be favorable for diversified strategies.
- *Dynamic Asset Allocation Fund*: The Fund's greatest risk exposure was its position favoring emerging markets and developed-market international equities over U.S. equities. The trade was initiated during the quarter based on our views of a rebounding global economy, reductions in political risks, easy monetary policy and favorable valuations. At the same time, a short S&P 500 Index position was eliminated. A long yen against short euro trade, viewed as a potential "risk-off" hedge, was maintained but reduced in the fourth quarter. While we still see risks worth hedging, they have abated some. The potential bottoming of economic growth declines, optimism over the "phase-one" U.S.-China trade deal and asymmetric Fed policy are several positive events that have in our view reduced risks in the capital markets. The Fund also initiated call options on the iShares MSCI Emerging Markets ETF during the quarter, as we believe valuations for emerging-market equities are attractive. A U.S. yield-curve steepener and long U.S. dollar against short Saudi Arabian riyal trade were both maintained during the quarter.

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Equity Strategy

Investment Objective

The Private Client Equity Strategy supports investment goals that seek growth through a diversified global equity strategy. The Strategy's assets are invested in underlying SEI Funds that primarily hold U.S. and/or foreign common stocks and other equity securities. The Strategy will invest to a lesser extent in underlying SEI Funds that hold emerging-markets securities.

Allocation (%)	Fund Name	Contribution to Return (%)
36	Large Cap	3.42
33	International Equity	3.08
11	Small Cap	0.89
10	Dynamic Asset Allocation Fund	0.79
9	Emerging Markets Equity	1.06
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Equity Strategy returned 9.24% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative "phase one" trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson's conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed, but is still expected to remain positive, which should continue to allow investors to put money into riskier assets.
- All equity allocations contributed to performance. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. International and emerging-markets equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies.

Q. What is the active positioning within the multi-asset Funds?

- *Dynamic Asset Allocation Fund*: The Fund's greatest risk exposure was its position favoring emerging markets and developed-market international equities over U.S. equities. The trade was initiated during the quarter based on our views of a rebounding global economy, reductions in political risks, easy monetary policy and favorable valuations. At the same time, a short S&P 500 Index position was eliminated. A long yen against short euro trade, viewed as a potential "risk-off" hedge, was maintained but reduced in the fourth quarter. While we still see risks worth hedging, they have abated some. The potential bottoming of economic growth declines, optimism over the "phase-one" U.S.-China trade deal and asymmetric Fed policy are several positive events that have in our view reduced risks in the capital markets. The Fund also initiated call options on the iShares MSCI Emerging Markets ETF during the quarter, as we believe valuations for emerging-market equities are attractive. A U.S. yield-curve steepener and long U.S. dollar against short Saudi Arabian riyal trade were both maintained during the quarter.

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Strategy Update

Fourth Quarter 2019

SEI New ways. New answers.®

Income Strategy

Investment Objective

The Private Client Income Strategy supports investment goals that seek to generate total return with an emphasis on income. The Strategy's assets will invest primarily in U.S. and/or foreign investment-grade and non-investment-grade fixed-income securities, including mortgage-backed fixed-income securities. The Strategy will invest to a lesser extent in U.S. and/or foreign common stocks. The investments are held through SEI mutual funds.

Allocation (%)	Fund Name	Contribution to Return (%)
23	Multi-Asset Income	0.61
18	Global Managed Volatility	0.63
18	Emerging Markets Debt Portfolio	0.77
18	High Yield Bond	0.46
12	Core Fixed Income Fund	0.04
10	U.S. Managed Volatility	0.53
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Income Strategy returned 3.04% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson’s conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed, but is still expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged.
- With the exception of U.S. investment-grade bonds, which were essentially flat, all non-cash allocations contributed to performance. Fixed-income markets had to deal with generally higher yields (prices and yields move inversely) and allocations with more sensitivity to interest rates struggled the most, while shorter term allocations performed better. High-yield bond allocations were positive as yield spreads (the difference between their yields and U.S. Treasury bonds of similar maturity) compressed noticeably following announcement of the “phase one” trade deal. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar.

Q. What is the active positioning within the Strategy?

- *Multi-Asset Income:* The Fund is positioned opportunistically with significant allocations to high-yield bonds, emerging-market debt and investment-grade credit. The Fund’s managers are constructive on credit in 2020 but have modest expectations for spread tightening given the strong performance in 2019.

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Tax-Managed Short Term Strategy

Investment Objective

The Private Client Tax-Managed Short Term Strategy supports investment goals that prioritize preservation of principal over growth of assets. The Strategy invests in a combination of SEI Funds that invest primarily in tax-efficient short-term and intermediate-term municipal fixed-income securities and, to a lesser extent, U.S. and/or foreign non-investment-grade fixed income securities.Tax efficiency is a primary objective.

Allocation (%)	Fund Name	Contribution to Return (%)
40	Short Duration Municipal	0.17
40	SIMT Tax-Free Conservative Income	0.11
10	Government Fund	0.04
4	Intermediate Term Municipal	0.02
3	Tax-Managed Managed Volatility	0.15
3	Tax-Advantaged Income	0.03

Q. How did the Strategy perform?

- The Tax-Managed Short Term Strategy returned 0.52% for the quarter.

Q. What were the main drivers of performance?

- Short-term yields in fixed income declined during the quarter, as the Fed cut rates by 0.25%. The yield curve, however, steepened (measured by 10-year versus 3-month Treasury yields) as long-term rates rose.
- U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged.

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Tax-Managed Defensive Strategy

Investment Objective

The Private Client Tax-Managed Defensive Strategy supports investment goals that prioritize risk management over the growth of assets. The Strategy invests in a combination of SEI Funds that primarily hold short-term and intermediate-term municipal fixed-income securities and, to a lesser extent, U.S. and/or foreign non-investment-grade fixed-income securities, common stocks, and securities of real estate companies. Tax efficiency is a primary objective.

Allocation (%)	Fund Name	Contribution to Return (%)
51	Short Duration Municipal	0.21
15	SIMT Tax-Free Conservative Income	0.04
9	Intermediate Term Municipal	0.05
8	Tax-Managed Managed Volatility	0.41
7	Tax-Advantaged Income	0.06
5	Government Fund	0.02
5	SIMT Tax-Managed International Managed Volatility	0.32

Q. How did the Strategy perform?

- The Tax-Managed Defensive Strategy returned 1.11% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson’s conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed, but is still expected to remain positive, which should continue to allow investors to put money into riskier assets.
- All allocations contributed to performance. Municipal fixed-income markets had to deal with generally higher yields (prices and yields move inversely), and allocations with more sensitivity to interest rates struggled the most, while shorter-term allocations performed better. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. Low-volatility equities tend to help reduce risk (as measured by standard deviation, or how far returns fall from their historical average), but at the cost of trailing the broader equity markets during strong up markets. Given this, low-volatility equities performed in line with expectations and delivered attractive risk-adjusted returns. International equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies.

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Tax-Managed Conservative Strategy

Investment Objective

The Private Client Tax-Managed Conservative Strategy supports investment goals that seek a balance of growth on an after tax basis and risk management. The Strategy invests in a combination of SEI Funds that primarily hold short-term and intermediate-term municipal fixed-income securities and, to a lesser extent, U.S. and/or foreign non-investment-grade fixed income securities, common stocks, and securities of real estate companies. Tax efficiency is a primary objective.

Allocation (%)	Fund Name	Contribution to Return (%)
39	Short Duration Municipal	0.16
14	Tax-Managed Managed Volatility	0.72
12	Intermediate Term Municipal	0.06
10	Tax-Advantaged Income	0.09
10	SIMT Tax-Managed International Managed Volatility	0.63
9	SIMT Tax-Free Conservative Income	0.02
5	Tax-Managed Large Cap	0.43
1	Government Fund	0.01

Q. How did the Strategy perform?

- The Tax-Managed Conservative Strategy returned 2.12% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson’s conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed, but is still expected to remain positive, which should continue to allow investors to put money into riskier assets.
- All allocations contributed to performance. Municipal fixed-income markets had to deal with generally higher yields (prices and yields move inversely), and allocations with more sensitivity to interest rates struggled the most, while shorter-term allocations performed better. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. Low-volatility equities tend to help reduce risk (as measured by standard deviation, or how far returns fall from their historical average), but at the cost of trailing the broader equity markets during strong up markets. Given this, low-volatility equities performed in line with expectations and delivered attractive risk-adjusted returns. International equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies.

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Tax-Managed Moderate Strategy

Investment Objective

The Private Client Tax-Managed Moderate Strategy supports investment goals that seek growth on an after tax basis, with a secondary objective of managing risk. The Strategy invests in a combination of SEI Funds that primarily hold short-term and intermediate-term municipal fixed-income securities and, to a lesser extent, U.S. and/or foreign non-investment-grade fixed-income securities, common stocks, and securities of real estate companies. Tax efficiency is a primary objective.

Allocation (%)	Fund Name	Contribution to Return (%)
23	Short Duration Municipal	0.10
23	Intermediate Term Municipal	0.12
16	Tax-Managed Managed Volatility	0.83
11	SIMT Tax-Managed International Managed Volatility	0.69
10	Tax-Advantaged Income	0.09
7	Tax-Managed Large Cap	0.60
3	Tax-Managed Small/Mid Cap Fund	0.20
3	Emerging Markets Debt Portfolio	0.13
3	International Equity	0.28
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Tax-Managed Moderate Strategy returned 3.04% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative "phase one" trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson's conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed, but is still expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. Low-volatility equities tend to help reduce risk (as measured by standard deviation, or how far returns fall from their historical average), but at the cost of trailing the broader equity markets during strong up markets. Given this, low-volatility equities performed in line with expectations and delivered attractive risk-adjusted returns. International equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies.
- All non-cash allocations contributed to performance. Municipal fixed-income markets had to deal with generally higher yields (prices and yields move inversely), and allocations with more sensitivity to interest rates struggled the most, while shorter-term allocations performed better. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar.

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Strategy Update

Fourth Quarter 2019

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Tax-Managed Core Market Strategy

Investment Objective

The Private Client Tax-Managed Core Market Strategy supports investment goals that seek growth on an after tax basis, while maintaining broad equity and fixed-income market participation. The Strategy invests in a combination of SEI Funds that primarily hold U.S. and/or foreign common stocks and intermediate-term municipal fixed-income securities and, to a lesser extent, U.S. and/or foreign non-investment-grade fixed-income securities, and securities of real estate companies. Tax efficiency is a primary objective.

Allocation (%)	Fund Name	Contribution to Return (%)
43	Intermediate Term Municipal	0.23
25	Tax-Managed Large Cap	2.15
10	International Equity	0.92
10	Tax-Advantaged Income	0.09
5	Tax-Managed Small/Mid Cap Fund	0.34
4	Emerging Markets Debt Portfolio	0.17
2	Emerging Markets Equity	0.23
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Tax-Managed Core Market Strategy returned 4.13% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson’s conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed, but is still expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. International and emerging-markets equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies.
- All non-cash allocations contributed to performance. Municipal fixed-income markets had to deal with generally higher yields (prices and yields move inversely), and allocations with more sensitivity to interest rates struggled the most, while shorter-term allocations performed better. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar.

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Strategy Update

Fourth Quarter 2019

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Tax-Managed Market Growth Strategy

Investment Objective

The Private Client Tax-Managed Market Growth Strategy supports investment goals that seek growth on an after-tax basis, while maintaining broad equity and fixed-income market participation. The Strategy invests in a combination of SEI Funds that primarily hold U.S. and/or foreign common stocks companies, intermediate-term municipal fixed-income securities and, to a lesser extent, U.S. and/or foreign non-investment-grade fixed-income securities, and securities of real estate companies. Tax efficiency is a primary objective.

Allocation (%)	Fund Name	Contribution to Return (%)
32	Intermediate Term Municipal	0.17
30	Tax-Managed Large Cap	2.59
13	International Equity	1.20
9	Tax-Advantaged Income	0.08
7	Tax-Managed Small/Mid Cap Fund	0.47
5	Emerging Markets Debt Portfolio	0.22
3	Emerging Markets Equity	0.35
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Tax-Managed Market Growth Strategy returned 5.08% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson’s conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed, but is still expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. International and emerging-markets equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies.
- All non-cash allocations contributed to performance. Municipal fixed-income markets had to deal with generally higher yields (prices and yields move inversely), and allocations with more sensitivity to interest rates struggled the most, while shorter-term allocations performed better. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar.

Tax-Managed Aggressive Strategy

Investment Objective

The Private Client Tax-Managed Aggressive Strategy supports investment goals that seek maximum growth on an after-tax basis over long-term horizons. The Strategy's assets are invested in SEI Funds that primarily hold U.S. and/or foreign common stocks and other equity securities. The Strategy invests to a lesser extent in underlying SEI Funds that primarily hold U.S. and/or foreign fixed-income securities of varying quality, and securities of real estate companies. Tax efficiency is a primary objective.

Allocation (%)	Fund Name	Contribution to Return (%)
42	Tax-Managed Large Cap	3.64
18	International Equity	1.67
11	Tax-Managed Small/Mid Cap Fund	0.75
10	Intermediate Term Municipal	0.05
8	Tax-Advantaged Income	0.07
5	Emerging Markets Debt Portfolio	0.22
5	Emerging Markets Equity	0.58
1	Government Fund	0.01

Q. How did the Strategy perform?

- The Tax-Managed Aggressive Strategy returned 6.99% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative “phase one” trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson’s conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed, but is still expected to remain positive, which should continue to allow investors to put money into riskier assets. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. International and emerging-markets equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies.
- All allocations contributed to performance. Municipal fixed-income markets had to deal with generally higher yields (prices and yields move inversely), and allocations with more sensitivity to interest rates struggled the most, while shorter-term allocations performed better. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar.

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Tax-Managed Equity Strategy

Investment Objective

The Private Client Tax-Managed Equity Strategy supports investment goals that seek maximum long-term growth of capital on an after-tax basis, through a diversified global equity strategy. The Strategy's assets are invested in underlying SEI Funds that primarily hold U.S. and/or foreign common stocks and other equity securities. The Strategy invests to a lesser extent in underlying SEI Funds that hold emerging-markets securities. Tax efficiency is a primary objective.

Allocation (%)	Fund Name	Contribution to Return (%)
46	Tax-Managed Large Cap	4.01
33	International Equity	3.08
11	Tax-Managed Small/Mid Cap Fund	0.75
9	Emerging Markets Equity	1.06
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Tax-Managed Equity Strategy returned 8.90% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative "phase one" trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson's conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed, but is still expected to remain positive, which should continue to allow investors to put money into riskier assets.
- All equity allocations contributed to performance. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged. As such, growth outperformed value in the U.S. while large companies outperformed smaller ones. International and emerging-markets equities were spurred on by positive news flow (Brexit and trade deal news) along with accommodative central-bank policies.

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Tax-Managed Income Strategy

Investment Objective

The Private Client Tax-Managed Income Strategy supports investment goals that seek to generate total return with an emphasis on income. The Strategy's assets will invest primarily in U.S. municipal fixed-income securities, U.S. and/or foreign investment-grade and non-investment-grade fixed-income securities, including mortgage-backed fixed-income securities. The Strategy will invest to a lesser extent in U.S. and/or foreign common stocks. The investments are held through SEI mutual funds. The Strategy may use tax-management techniques to manage the impact of taxes.

Allocation (%)	Fund Name	Contribution to Return (%)
23	Multi-Asset Income	0.62
19	Tax-Managed Managed Volatility	0.98
18	Emerging Markets Debt Portfolio	0.78
18	Tax-Advantaged Income	0.16
12	Intermediate Term Municipal	0.06
9	SIMT Tax-Managed International Managed Volatility	0.57
1	Government Fund	0.00

Q. How did the Strategy perform?

- The Tax-Managed Income Strategy returned 3.17% for the quarter.

Q. What were the main drivers of performance?

- The majority of asset classes saw positive returns for the fourth quarter and full year 2019. The Fed cut rates three times in 2019, and this course of action—combined with generally lower global bond yields—helped spur a strong rally in global equity markets. For the time being, trade tensions between the U.S. and China seemed to have eased following a tentative "phase one" trade deal to be signed in January 2020. Less Brexit uncertainty following a landslide victory by Boris Johnson's conservative party in the U.K. also contributed to a fourth quarter market rally. Moving into 2020, global growth seems to have slowed, but is still expected to remain positive, which should continue to allow investors to put money into riskier assets.
- All non-cash allocations contributed to performance. Municipal fixed-income markets had to deal with generally higher yields (prices and yields move inversely), and allocations with more sensitivity to interest rates struggled the most, while shorter-term allocations performed better. Local-currency emerging-markets debt outperformed hard-currency as many local currencies rallied versus the U.S. dollar. U.S. stocks retained a leadership role, led by the performance of large information technology and health care stocks, while more defensive sectors such as utilities, consumer staples and real estate lagged.

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Strategy Update

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Summary: Manager Changes

Summary: Manager Additions

Fund(s) Impacted	Additions	Rationale

Summary: Manager Terminations

Fund(s) Impacted	Terminations	Rationale
No changes to report		

About the Manager-of-Managers Process

SEI generally uses a multi-manager approach to portfolio construction that seeks to generate excess returns (i.e., returns in excess of benchmark index) and at the same time provides diversification by avoiding overconcentration in a single investment style, sector or market trend. Our analysis seeks to identify each manager's competitive advantage and characteristics of that advantage that can be monitored on an ongoing basis. Asset allocation to a given manager is based on the manager's skill set, the current macro-economic environment and the risk inherent to each manager's strategy.

About the SEI Investment Management Unit

SEI's Investment Management Unit is responsible for creating and maintaining proprietary mutual funds, asset allocation portfolios, separately managed account programs, and alternative investments for a wide range of institutional and individual investors.

Our investment process is based on research conducted by dedicated asset-class teams. The teams are overseen by an Investment Strategy Oversight Committee that reviews their assumptions and conclusions.

The IMU prides itself on conducting research in an open, academic environment that reflects SEI's entrepreneurial culture. Our global research and portfolio management efforts include teams based in Oaks, London, Toronto and Hong Kong. IMU staff members have an average 13 years of experience in the industry. The IMU employs approximately 90 professionals, with a significant number of CFA charterholders and team members with Master of Business Administration degrees or PhDs.

Disclosure

Glossary

Beta is the quantitative measure of the Fund's volatility relative to the benchmark used. A beta above 1 indicates the Fund is more volatile than the overall market, while a beta below 1 indicates a Fund is less volatile.

Dovish refers to the views of an economic policy (for example at the U.S. Federal Reserve) that tends to favor lower interest rates.

Duration is a measure of risk in bond investing and indicates how price-sensitive a bond is to changes in interest rates. A long (overweight) duration stance indicates the portfolio duration is higher than that of the benchmark whereas a short (underweight) duration stance indicates a lower duration. Duration is measured in years and securities with longer durations are more sensitive to interest-rate changes.

Momentum stocks are those whose prices are expected to keep moving in the same direction.

The yield curve represents differences in yields across a range of maturities of bonds of the same issuer or credit rating (likelihood of default). A steeper yield curve represents a greater difference between the yields. A flatter curve indicates the yields are closer together.

A yield spread is the difference between yields on different debt instruments of varying maturity or credit rating (between high-yield bonds and U.S. Treasurys of the same maturity, for example).

Index Definitions

The MSCI Europe ex-UK Index is a free float-adjusted market capitalization weighted index that captures large and mid cap representation across 14 developed markets countries in Europe (Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden and Switzerland). The Index covers approximately 85% of the free float-adjusted market capitalization across European developed markets excluding the U.K.

Important Information

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. This information is for educational purposes only.

SEI Investments Management Corporation (SIMC) is the investment adviser to the strategies and is a wholly owned subsidiary of SEI Investments Company (SEI).

Investing involves risk including possible loss of principal. Diversification may not protect against market risk. There is no guarantee that the strategy's income will be exempt from federal or state income taxes or the federal alternative minimum tax. Capital gains, if any, are subject to capital gains tax. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Bonds and bond funds will decrease in value as interest rates rise. In addition to the normal risks associated with investing, because the strategy primarily invests in a particular state's securities, it may be more volatile and susceptible to a single adverse economic or regulatory occurrence affecting those obligations.

Performance information assumes reinvestment of all dividends and capital gains. Strategy performance assumes investment at the beginning of the period indicated and reflects all recommended reallocations and changes among the Funds, including changes in investment managers and

Funds included in the Strategy. Information on allocations among Funds, reallocations, and Strategy changes is available upon request. Strategy returns do not represent actual trading and may not reflect the impact that material economic and market factors might have had on decision-making if SEI Investments Management Corporation (SIMC) were managing client assets. Performance assumes monthly rebalancing of the underlying funds back to their respective assigned allocations which may vary from the actual implementation date and rebalancing process in client accounts. Strategy performance shown is not meant to represent any individual client account. Actual client results may vary substantially.

Strategy performance shown is net of all fees charged by SEI. Performance information as shown is net of all underlying mutual fund fees and expenses, but does not include any charges or fees which may or may not be imposed by an investor's financial advisor which will reduce performance returns. For example, on an account charged 1% by a financial advisor with a stated annual return (net of mutual fund fees) of 10%, the net total return before taxes would be reduced from 10% to 9%. A ten year investment of $100,000 at 10% would grow to $259,400, and at 9%, to $236,700 before taxes.

Neither SIMC nor its affiliates provide tax advice. Please note that (i) any discussion of U.S. tax matters contained in this communication cannot be used by you for the purpose of avoiding tax, penalties and/or interest which may be imposed by the IRS or any other taxing authority; (ii) this communication was written to support the promotion or marketing of the matters addressed herein; and (iii) you should seek advice based on your particular circumstances from an independent tax advisor.