



Asset Allocation Changes

Four Asset Allocation Funds

SEI is increasing diversification in a selection of its asset allocation funds.

SEI made asset allocation changes to four funds while striving to maintain the risk profile of each fund.

In equities the following themes guided our changes:

- Reduce home country bias by lowering allocations to Canadian equities in favour of foreign equities—particularly U.S. equities.
 - The S&P/TSX Composite Index is comprised of approximately 239 constituents with the largest accounting for 6.1% and the top-10 representing 36.1% of the index as of 4/29/22 (Source S&P Dow Jones Indices).
 - By comparison, the MSCI ACWI Index has about 2,937 constituents with the largest being 4.25% and the top-10 15.92% of the index as of 4/29/22 (Source MSCI).
- Domestic smaller companies were removed from some portfolios as home country bias reduction would have moved some allocations below the minimum 3%.
 - Where possible, U.S. smaller companies were increased to help offset the loss of domestic small caps.
- Managed volatility remains an important allocation—although there were some reductions, the allocation largely remained the same.

For fixed income:

- We continue to view U.S. high-yield bonds as a hybrid equity/fixed income allocation.
- Canadian fixed income remains the best diversifier for portfolios with primarily equity risk.
 - Given this view, additions to fixed income will be heavily weighted towards Canadian fixed income for its diversification properties.

Asset Class Fund	Asset Allocation Fund											
	Income Balanced Fund			Neutral Balanced Fund			Balanced Growth Fund			All Equity Fund		
	Prior	Change	New	Prior	Change	New	Prior	Change	New	Prior	Change	New
Canadian Equity	11.0%	(4.0%)	7.0%	12.0%	(2.0%)	10.0%	17.0%	(4.0%)	13.0%	26.5%	(9.5%)	17.0%
Canadian Small Company Equity				3.0%	(3.0%)		3.0%	(3.0%)		3.5%	(0.5%)	3.0%
U.S. Large Company Equity		5.0%	5.0%	13.0%	5.0%	18.0%	18.5%	6.5%	25.0%	31.5%	11.0%	42.5%
U.S. Small Company Equity				3.0%	1.0%	4.0%	3.5%	1.5%	5.0%	5.5%	2.0%	7.5%
Global Managed Volatility	28.0%	(8.0%)	20.0%	5.0%		5.0%	4.5%		4.5%			
International Equity		3.0%	3.0%	10.5%	(1.5%)	9.0%	15.0%	(3.0%)	12.0%	25.0%	(4.5%)	20.5%
Emerging Markets Equity				3.5%	0.5%	4.0%	4.5%	1.0%	5.5%	8.0%	1.5%	9.5%
Canadian Fixed Income	34.0%	3.0%	37.0%	30.0%		30.0%	20.0%	1.0%	21.0%			
Short Term Bond	13.0%		13.0%	4.0%		4.0%						
Real Return Bond	7.0%	0.5%	7.5%	8.0%		8.0%	6.0%		6.0%			
U.S. High Yield Bond (hedged class)	7.0%	0.5%	7.5%	8.0%		8.0%	8.0%		8.0%			

Background

SEI Investments Company (SEI) has a dedicated Advice Group (Advice) that researches and regularly reviews capital-market assumptions (CMAs) based on the team's macroeconomic research. Advice builds SEI's asset allocation models and strategies. As it reviews asset classes and updates long-term risk and return characteristics, changes are made to the selection and allocation of SEI's models and strategies to improve efficiency. SEI offers a variety of asset allocation funds spanning a broad risk-return spectrum, allowing investors to participate in different levels of returns commensurate with different levels of risk. SEI selects and allocates to several asset classes in its Funds, aiming to build diversified portfolios that efficiently generate returns within a specific risk tolerance. SEI develops proprietary CMAs for its asset classes based on quantitative analysis and Advice's qualitative judgment. Advice uses various historical and forward-looking techniques in developing its CMAs and then uses its CMAs to determine asset allocation within SEI's models and strategies.

Index Definitions

The **MSCI ACWI Index** is a market-capitalization-weighted index composed of over 2,000 companies, and is representative of the market structure of 48 developed and emerging-market countries in North and South America, Europe, Africa and the Pacific Rim. The index is calculated with net dividends reinvested in U.S. dollars.

The **S&P/TSX Composite** is the headline index for the Canadian equity market. It is the broadest in the S&P/TSX family and is the basis for multiple sub-indices including but not limited to equity indices, Income Trust Indices, Capped Indices, GICS Indices and market cap based indices.

Important Information

SEI Investments Canada Company, a wholly owned subsidiary of SEI Investments Company, is the Manager of the SEI Funds in Canada. The percentage weightings of the Underlying Funds may be changed from time to time at the Manager's discretion. The portfolio managers or the allocations of assets to a particular portfolio manager within a Fund are subject to change from time to time at the Manager's discretion.

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There are risks involved with investing, including loss of principal. Diversification may not protect against market risk. There may be other holdings which are not discussed that may have additional specific risks. In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavourable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity. Bonds and bond funds will decrease in value as interest rates rise.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus of the SEI Funds and the Underlying before investing. Mutual fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer, they are not guaranteed. There can be no assurances that a money market fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Mutual fund are not guaranteed, their values change frequently and past performance may not be repeated.