Quarterly Market Commentary

First Quarter 2024

Stocks rise on hopes that central banks will make the cut.

- Global equity markets garnered positive returns over the first quarter of 2024, due to optimism that major central banks will begin to cut interest rates sometime this year. Generally upbeat corporate earnings reports also bolstered investors' confidence.
- Global fixed-income assets lost ground for the quarter. Bond yields in Canada and the U.S. generally moved higher over the quarter (bond prices move inversely to yields).
- While it is true that equity performance has broadened thus far in 2024—Japanese equities are enjoying a strong rally and the "Magnificent Seven" mega-cap technology stocks are ending their run in favour of the "Fab Four" or maybe the "Terrific Trio"—quite a bit of good news is already priced into the U.S. market.

SEI's Domestic View

At the end of the first quarter, the Canadian economy found itself in a situation similar to many other advanced economies—albeit with a few uniquely Canadian wrinkles, such as immigration dynamics and household debt levels. Although there were ongoing signs of softness in new housing and business investment, overall economic activity and sentiment held up better than consensus expectations, while inflation continued to trend down.

Inflation data could be considered the most encouraging of the lot, given that, as of February, it had descended to a level just outside the upper end of the Bank of Canada's (BoC's) target range of 1% to 3%. Measured over shorter time frames, the news is even more encouraging. For example, on an annualized basis, three-month moving averages of CPI-median and CPI-trim were both below 2.5%. It's important to note that Canada has been outperforming other countries in terms of getting domestic inflation under control.

However, like most advanced-economy central banks, the BoC has not yet taken enough comfort in the inflation data—or become concerned enough about the economic outlook—to begin cutting interest rates. In Canada and elsewhere, rate markets spent the first quarter toning down end-of-year rate-cutting expectations that SEI believed were far too dovish. The BoC took a wait-and-see approach at its March meeting, with members of the Governing Council agreeing that "they need to see further and sustained easing in underlying inflation," with close attention paid to indicators such as supply-and-demand balance in the economy, corporate pricing behaviour, inflation expectations, and wage growth relative to productivity.

Encouragingly, supply-demand imbalances appear to be improving—although we worry that a rebound in energy prices could cause renewed pressure on headline inflation measures in the quarters ahead. According to the BoC's first quarter 2024 Business Outlook Survey, fewer firms were planning to meaningfully hike prices in the next 12 months. However, the last two indicators—inflation expectations and wage growth relative to productivity—could prove challenging for those hoping to see a BoC easing cycle get underway soon. The most recent BoC Survey of Consumer Expectations found that near-term inflation expectations remained stubbornly high, while five-year expectations—which had fallen to 2.6% in the prior survey—ticked up by half a percentage point, bringing them above 3%.

Meanwhile, wage growth in 2023 was well above pre-COVID levels in Canada as well as several other advanced economies, and in Canada's case, this has occurred against a backdrop of *declining* productivity in recent years. While we should note that productivity can be difficult to measure with precision in services-heavy economies, to the extent it provides a reasonable approximation of underlying trends, it's something the BoC has to remain concerned about.

A turnaround in productivity growth would certainly help the inflation outlook and give the BoC more room to cut interest rates. But while Canada's southerly neighbour has been enjoying upside productivity surprises of late, the catalysts for a similar dynamic at home are not yet clear. Business investment has been lackluster, and according to the latest Business Outlook Survey, "Businesses are moderating their investment plans in response to high borrowing costs, persistently weak demand, and easing capacity pressures. In this environment, fewer firms feel the need to expand. Instead, more businesses are focusing their investment on maintaining existing capacity." That's hardly a recipe for a productivity revolution. Perhaps generative artificial intelligence and large language models will provide some support as they become adopted more widely. Meanwhile, proponents of immigration argue that population growth can foster innovation and thus greater productivity; however, these are likely to be second- and third-order effects that take time to unfold, possibly across multiple generations.

© 2024 SEI

Given immigration's ongoing importance to the Canadian economy and some recently announced changes, a further word on the matter is in order. The net economic effects of the federal government's strong immigration push in recent years are widely believed to be positive, as immigrants have likely provided some measure of labour market relief, added to consumer activity and contributed to pent-up housing demand. The housing aspect may be a double-edged sword however, as shelter price inflation has been the largest contributor to official price measures in recent quarters. This may have been a motivating factor behind Immigration Minister Marc Miller's March announcement that the government would seek to lower temporary residents to 5% of the population from over 6%. While this decision certainly won't undo the government's ambitious immigration targets of roughly half a million permanent residents each year through 2025, it may have some interesting marginal effects on consumer activity, the labour market, and housing in the years ahead.

Given this outlook, it makes sense to us that the BoC's Governing Council has adopted a more patient approach than markets expected at the start of 2024. Better—but still weak—data, a potential spring thaw in home sales, and "less bad" business and consumer sentiment could mean that the economy continues to avoid recession in 2024. With inflation still above target, markets now expect a more reasonable 0.75% decrease in the BoC's target rate over the rest of this year. In this environment (as in most!), investors should stick to their long-term strategy, seeking to take advantage of diversification benefits and employing active management where appropriate.

SEI's Global View

U.S. interest-rate expectations have converged thus far in 2024, as stubborn inflation data and a mixed employment picture have led investors to back away from predictions of aggressive interest-rate reductions from the Fed. As of the end of the first quarter, roughly three rate cuts were priced in, most likely starting in June, putting market expectations only slightly ahead of our own. Nonetheless, risks to this view are, in our opinion, clearly on the side of fewer rate cuts.

We would not be surprised to see mild weakness in the jobs data seize the attention of policy-makers and serve as a catalyst for the first rate cut in early summer, even if inflation remains above target. We believe inflation will remain stickier than expected on a slower decline in service inflation and a continued rebound in goods inflation.

U.S. equity investors are starting the quarter from what can only be described as "elevated levels" in the market. The S&P 500 Index currently trades at a forward price-to-earnings (P/E) ratio of 21. That is well above the historical average of roughly 16 and a good distance away from the rest of the world at just under 14. While it is true that equity market performance has broadened thus far in 2024—Japanese stocks are enjoying a strong rally and, in the U.S., the Magnificent Seven" mega-cap technology stocks are ending their run in favour of the "Fab Four" or maybe the "Terrific Trio"—quite a bit of good news is already priced into the U.S. market. Starting from here, the bar has been set fairly high for earnings to outperform expectations and drive prices higher. We acknowledge that P/E multiples can still expand from these heights, especially if they're helped along by a pivot to easier monetary policy via interest-rate cuts from the Fed.

The 10-year U.S. Treasury yield is down from the 16-year high of 5% reached in October 2023, but well above where it started the year. We see additional room for bond yields to move higher, not only on the aforementioned sticky inflation data, but also on the substantial budget funding pressures and the lack of term premium priced into the yield curve. We would not be surprised to see the 10-year Treasury yield retest the 5% level even with the prospect of rate cuts on the horizon.

Economic Backdrop

Global equity markets garnered positive returns over the first quarter of 2024, due to optimism that major central banks will begin to cut interest rates sometime this year. Investors had a positive reaction to the Federal Reserve's (Fed) monetary policy announcement and so-called dot plot of economic projections, released in March, which indicated that the central bank remained on track to pivot to interest-rate cuts as soon as June of this year. Generally positive corporate earnings reports also bolstered the markets. This offset previous concerns that stickier-than-expected inflation data would prompt the Fed and other central banks to delay a pivot to interest-rate cuts. Developed markets outperformed their emerging-market counterparts during the quarter. North America led the major developed markets for the quarter due to notable strength in the U.S. All three major U.S. equity market indexes reached new highs late in the quarter, with the broad-market S&P 500 Index recording its strongest start to a calendar year since 2019. The Pacific ex. Japan region was the primary developed-market laggard, as Hong Kong and New Zealand recorded negative returns for the quarter. Europe was the top-performing region within emerging markets for the quarter, led by strength in Greece and Poland. Conversely, Latin America was the most notable underperformer due to relative weakness in Brazil and Chile.

Global fixed-income assets, as measured by the Bloomberg Global Aggregate Bond Index, declined 2.1% in the first quarter. High-yield bonds registered modest gains for the quarter and led the U.S. fixed-income market, while U.S. Treasury securities, corporate bonds, and mortgage-backed securities recorded losses. Treasury yields rose across the curve—with the exception of 1- and 2-month Treasury bills—over the quarter. Yields on 2-, 3-, 5- and 10-year Treasury notes increased 0.36%, 0.39%, 0.37% and 0.32%, respectively. The spread between 10- and 2-year notes widened from –0.35% to –0.39% over the quarter, and the yield curve remained inverted. Yields for Canadian bonds generally moved higher across the yield curve.

Global commodity prices, as measured by the Bloomberg Commodity Total Return Index, rose 2.2% for the first quarter. The West Texas Intermediate (WTI) and Brent crude oil prices rallied during the period as ongoing geopolitical tensions in the Middle East spurred investors' worries about a disruption in oil exports. WTI and Brent crude oil prices ended the quarter with gains of 16.0% and 13.0%, respectively. The New York Mercantile Exchange (NYMEX) natural gas price plunged 24.7% over the quarter amid slowing demand due to above-average winter temperatures in the U.S. The 8.8% decline in the gold spot price was attributable to stronger-than-expected U.S. economic data and the rise in U.S. Treasury yields during the quarter. (The gold price typically moves inversely to bond yields.) Wheat prices were down 10.6% for the period amid relatively weaker demand for exports from the U.S.

As widely anticipated, the Federal Open Market Committee (FOMC) maintained the federal-funds rate in a range of 5.25% to 5.50% following its meeting on March 19-20. In a statement announcing the continuation of the pause in its rate-hiking cycle, the FOMC noted, "Inflation has eased over the past year but remains elevated. The Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2 percent."

During a news conference following the FOMC's meeting, Fed Chair Jerome Powell noted that continued strong labour market data would not preclude rate cuts. Powell said "Strong hiring in and of itself would not be a reason to hold off on rate cuts." He also acknowledged that the January and February consumer-price index (CPI) data and core personal-consumption expenditure (PCE) inflation for January came in a bit hotter than expected. Powell said, "We don't really know if this is a bump on the road or something more. We'll have to find out."

On the geopolitical front, the Russia-Ukraine and Israel-Hamas military conflicts continued. Russia's invasion of Ukraine marked its second anniversary on February 24, with little hope for a resolution in the near term. Republican Party leaders in the U.S. House of Representatives rejected a bipartisan bill approved in the Senate that would have provided $95 billion in military aid for Ukraine, Israel, and Taiwan. In mid-March, the administration of President Joe Biden announced a plan to send $300 million more in ammunition and other weapons to Ukraine while the U.S. Congress debated a new aid package.

The U.S.- and U.K.-led coalition (with support from Australia, Bahrain, Canada, Denmark, and the Netherlands) continued to engage in a military conflict with the Houthi movement, an Iran-backed militant group that seized Sanaa, Yemen's capital, in 2014. In late February, the coalition struck 18 Houthi targets in Yemen, including underground weapons storage facilities, missile storage facilities, air defense systems, radars, and a helicopter. In a news release, the U.S. Central Command noted that the military strikes sought to "degrade Houthi capability and disrupt their continued reckless and unlawful attacks on international commercial and U.S. and U.K. vessels in the Red Sea, Bab Al-Mandeb Strait, and the Gulf of Aden." The Houthis have attacked U.S. military bases in Iraq and Syria, as well as numerous commercial ships in the Red Sea. This has forced international shipping companies to reroute their vessels around the Cape of Good Hope in South Africa, putting upward pressure on freight costs. In late March, the Houthis reached agreements with China and Russia to allow safe passage for their ships through the Red Sea and Gulf of Aden.

Elsewhere, in late March, the Francis Scott Key Bridge over the Patapsco River in Baltimore, Maryland, collapsed after a Singapore-registered cargo ship struck its support columns. The accident resulted in the deaths of six construction workers who had been repairing potholes on the bridge. Consequently, Baltimore Harbor, which is a major global shipping channel, was closed, leading to a back-up for cargo ships that were unable to pass through the river into the Chesapeake Bay and, ultimately, the Atlantic Ocean. There initially were concerns that the disaster could disrupt the global supply chain and have a negative impact on the local economy, as many dockworkers are employed in the cargo shipping industry and an estimated 30,000 vehicles crossed the bridge each day.

Central Banks

- The BoC held its overnight interest rate steady at 5.00% and continued its policy of quantitative tightening following its March 6 meeting. BoC Senior Deputy Governor Carolyn Rogers noted that economic growth remained weak and although inflation pressures have eased, inflation is still running about 3% per year. Additionally, the Governing Council has asserted that more progress needs to be made on inflation before rate cuts can be considered. The next BoC meeting is scheduled for April 10.

© 2024 SEI

- The Fed's so-called dot plot of economic projections indicated a median federal-funds rate of 4.6% at the end of 2024, unchanged from its previous estimate issued in December, signaling that the central bank still may reduce the federal-funds rate by roughly 75 basis points (0.75%)—most likely in three increments of 25 basis points—by the end of 2024. The dot plot also projected that core personal-consumption-expenditures (PCE) inflation could tick up from its most recent annual increase of 2.4% in January to 2.6% by the end of 2024. The PCE price index is the Fed's preferred gauge of inflation, as it tracks the change in prices paid by or on behalf of consumers for a more comprehensive set of goods and services than that of the consumer-price index (CPI).

- Following its meeting on March 20, the Bank of England (BOE) left the Bank Rate unchanged at a 15-year high of 5.25%. However, the rate decision was not unanimous; one of the nine BOE Monetary Policy Committee (MPC) members supported a 25-basis-point reduction in the benchmark interest rate. In its announcement of the rate decision, the BOE commented that inflation is falling "relatively sharply," and acknowledged that its "restrictive stance of monetary policy is weighing on activity in the real economy, is leading to a looser labour market, and is bearing down on inflationary pressures. Nonetheless, key indicators of inflation persistence remain elevated." The central bank also noted that wage increases are slowing.

- The European Central Bank (ECB) left its benchmark interest rate unchanged at 4.50% following its meeting on March 7. In a statement announcing the rate decision, the ECB's Governing Council stated, "Although most measures of underlying inflation have eased further, domestic price pressures remain high, in part owing to strong growth in wages. Financing conditions are restrictive and the past interest rate increases continue to weigh on demand, which is helping push down inflation." The central bank also reiterated its position that "future decisions will ensure that policy rates will be set at sufficiently restrictive levels for as long as necessary. Elsewhere in Europe, the Swiss National Bank unexpectedly reduced its benchmark rate by 25 basis points to 1.50% following its meeting on March 21—the first rate cut by a major central bank during the current global monetary policy tightening cycle that began in early 2022.

- In a notable departure from its longstanding policy of maintaining negative interest rates, the Bank of Japan (BOJ) raised its benchmark rate from -0.1% to a range of 0.0% to 0.1% after its meeting on March 18-19. In addition, the BOJ discontinued its program of yield-curve control, under which it had maintained an upper yield limit of 1.0% for the 10-year Japanese Government Bond. In a statement announcing the monetary policy actions, the central bank noted, "With the price stability target of 2 percent, [the BOJ] will conduct monetary policy as appropriate, guiding the short-term interest rate as a primary policy tool, in response to developments in economic activity and prices as well as financial conditions from the perspective of sustainable and stable achievement of the target."

Economic Data (unless otherwise noted, data sourced to Bloomberg)

- According to Statistics Canada, the rate of inflation (as measured by the change in the Consumer Price Index (CPI)) was up 0.3% in February and rose 2.8% for the year ending in February. Gasoline costs were a notable driver of higher costs. Offsetting this, Canadians paid less for cellular and internet services, while food inflation eased. Producer prices were higher in the short term, rising 0.7% for the Industrial Product Price Index (IPPI) and 2.1% for the Raw Materials Price Index (RMPI) in February as energy prices have generally begun to trend higher. For the year ending February, the IPPI and RMPI declined 1.7% and 4.7%, respectively as the price of key inputs such as petroleum products, lumber, and metals decreased from year ago levels. The Labour Force Survey indicated that employment was fairly steady in March as the economy shed 2,200 jobs. The unemployment rate rose 0.3% to 6.1% due to population growth.

- The U.S. Department of Labor reported that the U.S. CPI advanced 0.4% in February following a 0.3% upturn in January. The 3.2% year-over-year advance in the index modestly exceeded market expectations, and was up slightly from the 3.1% annual increase in January. Housing and gasoline prices accounted for approximately 60% of the month-over-month rise in the CPI. Costs for utility gas services were up 2.3% month-over-month in February, but fell 8.8% over the previous year. Food prices were flat in February and rose 2.2% year-over-year, down from the 2.6% annual upturn in January. The 3.8% rolling 12-month rise in core inflation, as measured by the CPI for all items less food and energy, was down 0.1 percentage point from the 3.9% year-over-year rise in January, representing the smallest annual increase since April 2021. According to the third estimate from the Department of Commerce, U.S. gross domestic product (GDP) grew at an annualized rate of 3.4% in the fourth quarter of 2023, slightly higher than the second estimate of 3.2% and down from the 4.9% rise in the third quarter. The U.S. economy expanded by 2.5% for the 2023 calendar year, topping 2022's 1.9% annual rise, bolstered mainly by increases in consumer spending—which comprises more than two-thirds of U.S. GDP—and nonresidential fixed investment (purchases of both nonresidential structures and equipment and software). The largest contributors to GDP growth for the fourth quarter included consumer spending, state and local government spending, and exports. The government attributed the lower economic growth rate in the fourth quarter relative to the previous three-month period primarily to slowdowns in private inventory investment (a measure of the changes in values of inventories from one time period to the next) and federal government spending.

© 2024 SEI

- The Office for National Statistics (ONS) reported that inflation in the U.K., as measured by the Consumer Prices Index (CPI), rose 0.6% in February, following a 0.6% decline in January. However, the CPI's 3.4% year-over-year advance was down sharply from the 4.0% annual increase for the previous month. The largest contributors to the 12-month rise in inflation included alcohol and tobacco, as well as health care. These more than offset a marginal decline in transportation costs. Core inflation, which excludes volatile food prices, rose at an annual rate of 4.5% in February, down from the 5.1% year-over-year increase in January. It appears that the U.K. economy slipped into recession—defined as two consecutive quarters of negative GDP growth—at the end of last year. According to the initial estimate of the ONS, U.K. GDP fell 0.3% over the fourth quarter of 2023, following a 0.1% dip during the third quarter. However, the economy rebounded somewhat in January 2024, expanding 0.2%. Output in the services and construction sectors increased 1.1% and 0.2%, respectively, in January, while production output dipped 0.2%. The ONS reported that U.K. GDP edged down 0.1% for the three-month period ending in January. Services output was flat for the month, while output in the production and construction sectors decreased 0.2% and 0.9%, respectively.

- Eurostat pegged the inflation rate for the eurozone at 2.6% for the 12-month period ending in February, modestly lower than the 2.8% annual increase in January. Costs in the services sector rose 4.0% for the period. While prices for food, alcohol and tobacco were up 3.9% year-over-year in February, the pace of acceleration slowed from the 5.8% annual rate for the previous month. Conversely, energy prices fell 3.7% over the previous 12 months following a 6.1% annual decline in January. Core inflation, which excludes volatile energy and food prices, rose at an annual rate of 3.1% in February, down 0.2 percentage point from the 3.3% year-over-year increase in January. Eurostat also reported that eurozone GDP was flat in the fourth quarter of 2023, a slight uptick from the 0.1% decline in the third quarter, and grew 0.5% for the 2023 calendar year. The economies of Denmark, Croatia, and Slovenia were the strongest performers for the fourth quarter, expanding 2.0%, 1.3% and 1.1%, respectively. Conversely, Ireland's GDP fell 3.4%, while the economies of Estonia and Finland each contracted by 0.7% during the quarter.

Index Data (Q1 2024)

- The S&P/TSX Composite Index climbed 6.62%.
- The FTSE Canada Universe Bond Index fell 1.22%.
- The S&P 500 Index, which measures U.S. equities, soared 13.46%.
- The MSCI ACWI (Net) Index, used to gauge global equity performance, was up 11.04%.
- The ICE BofA U.S. High Yield Constrained Index, representing U.S. high-yield bond markets, returned 1.38% (currency hedged) and 4.18% (unhedged).
- The Chicago Board Options Exchange Volatility Index, a measure of implied volatility in the S&P 500 Index that is also known as the "fear index," moved from 12.45 to 13.01.
- WTI Cushing crude-oil prices, a key indicator of movements in the oil market, jumped from US$71.65 to US$83.17 a barrel to end the quarter.
- The Canadian dollar weakened to C$1.35 per U.S. dollar. The U.S. dollar was also stronger versus the world's other major currencies, ending March at US$1.08 versus the euro, US$1.26 against sterling, and at 151.35 yen.

Glossary of financial terms

Yield is the income returned on an investment, such as the interest received from holding a security. The yield is usually expressed as an annual percentage rate based on the investment's cost, current market value, or face value.

Yield curve represents differences in yields across a range of maturities of bonds of the same issuer or credit rating (which is used to assess the risk of default of companies or countries). A steeper yield curve represents a greater difference between the yields. A flatter curve indicates that short- and long-term yields are closer together.

An **inverted yield curve** occurs when short-term yields exceed long-term yields. While an inverted yield curve historically has predicted economic recessions, it is an indicator—not a forecast.

The **federal-funds rate** is the interest rate charged to lending institutions on unsecured overnight loans. It is set by the U.S. Federal Reserve's Federal Open Market Committee. The rate is increased when the Federal Reserve wants to discourage borrowing and slow the economy and decreased when the Federal Reserve wants to spur economic growth.

Economic output comprises a quantity of goods or services produced in a specific time period.

Monetary policy refers to decisions by central banks to influence the amount of money and credit in the economy by managing the level of benchmark interest rates and the purchase or sale of securities. Central banks typically make policy decisions based on their mandates to target specific levels or ranges for inflation and employment.

A **recession** is a significant and prolonged downturn in economic activity.

Price/earnings (P/E) ratio is calculated by dividing the current market price of a stock by the earnings per share. Price/earnings multiples often are used to compare companies in the same industry, or to assess the historical performance of an individual company.

Term premium is the additional yield that investors demand to hold longer-duration securities.

Duration is a measure of a security's price-sensitivity to changes in interest rates. Specifically, duration measures the potential change in value of a bond that would result from a 1% change in interest rates. The shorter the duration of a bond, the less its price will potentially change as interest rates rise or fall.

Important information

SEI Investments Canada Company, a wholly owned subsidiary of SEI Investments Company, is the Manager of the SEI Funds in Canada.

The information contained herein is for general and educational information purposes only and is not intended to constitute legal, tax, accounting, securities, research or investment advice regarding the Funds or any security in particular, nor an opinion regarding the appropriateness of any investment. This information should not be construed as a recommendation to purchase or sell a security, derivative or futures contract. You should not act or rely on the information contained herein without obtaining specific legal, tax, accounting and investment advice from an investment professional. 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. There is no assurance as of the date of this material that the securities mentioned remain in or out of the SEI Funds.

Statements that are not factual in nature, including opinions, projections and estimates, assume certain economic conditions and industry developments and constitute only current opinions that are subject to change without notice. Nothing herein is intended to be a forecast of future events, or a guarantee of future results.

This material may contain "forward-looking information" ("FLI") as such term is defined under applicable Canadian securities laws. FLI is disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. FLI is subject to a variety of risks, uncertainties and other factors that could cause actual results to differ materially from expectations as expressed or implied in this material. FLI reflects current expectations with respect to current events and is not a guarantee of future performance. Any FLI that may be included or incorporated by reference in this material is presented solely for the purpose of conveying current anticipated expectations and may not be appropriate for any other purposes.

Information contained herein that is based on external sources or other sources is believed to be reliable, but is not guaranteed by SEI Investments Canada Company, and the information may be incomplete or may change without notice. Sources may include Bloomberg, FactSet, Morningstar, Bank of Canada, Federal Reserve, Statistics Canada and BlackRock. All data as of 3/31/2024 unless otherwise noted.

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.

Index returns are for illustrative purposes only, and do not represent actual performance of an SEI Fund. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

© 2024 SEI