

# Manager Announcement

December 2018

SEI New ways.  
New answers.®

## Qtron Investments' Emerging Markets Equity Strategy Brings Contextual Modeling Approach to the SEI Canada's Emerging Markets Equity Fund

The Qtron Investments, LLC (Qtron) Emerging Markets Equity strategy has been added to SEI Canada's Emerging Markets Equity Fund (the Fund).

### Investment Philosophy and Process

Qtron's investment philosophy adopts a contextual-based investing approach—a style of quantitative investing that seeks to capture unique alpha drivers for each company based on its fundamental and market characteristics. The investment team believes this approach helps define factor weights and enables forecasting. We view Qtron's implementation and execution of its strategy as competitively advantaged.

Qtron's investment process reflects deep insight into factor design and factor weighting. The investment team thoroughly understands investor behaviour and quantitative methods and thoughtfully applies its knowledge to its portfolio construction and risk management process.

### Role in the Fund

We expect Qtron's strategy to align with SEI's value alpha source, and believe that it should outperform in the latter part of a recovery and expansion phase.

### About Qtron

Located in Boston, MA, Qtron is an employee-owned boutique investment firm established in May 2016. Its founding partners, Ron Hua and Dmitri Kantsyrev, previously worked together at PanAgora Asset Management, Inc., managing quantitative strategies. Several other team members also came from PanAgora, providing a layer of mutual understanding and experience that we believe should support a shared commitment to success. As of September 30, 2018, the firm had US\$125 million in assets under management.

### Why We Like Them

- **Contextual modeling approach:** Co-founders Ron Hua and Dmitri Kantsyrev were early pioneers in applying contextual modeling and have considerable experience from managing assets in this manner.
- **High aligned interests:** SEI will be the seed investor for this strategy. We think this opportunity creates a strong incentive for Qtron to focus its resources on the strategy.
- **High-calibre innovation:** Hua and Kantsyrev deliver a high level of innovation, insight and passion to the strategy. We believe this supports a robust research agenda and gives Qtron a competitive edge despite its relatively small size compared to other quantitative managers.

## **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.

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.

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.