

SEI Investments Management Corporation

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This Brochure provides information about the qualifications and business practices of SEI Investments Management Corporation ("SIMC"). If you have any questions about the contents of this Brochure, please contact us at 1-800-DIAL-SEI. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

SIMC is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training.

Additional information about SIMC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

While we have made several non-material changes to this Brochure for clarification purposes, we have not made any material changes to the Brochure since the last time it was filed with the SEC on March 31, 2011.

Currently, our Brochure may be requested by contacting Laura Smolenski, Chief Compliance Officer at 610-676-3479 or SIMCCompliance@seic.com.

Additional information about SIMC is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with SIMC who are registered, or are required to be registered, as investment advisor representatives of SIMC.

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Item 4 -- Advisory Business

SIMC is an investment advisor registered under the Investment Advisers Act of 1940 (“Advisers Act”) with the SEC. It is an indirect wholly-owned subsidiary of SEI Investments Company (“SEI”), a publicly traded diversified financial services firm (NASDAQ: SEIC) headquartered in Oaks, Pennsylvania, a suburb of Philadelphia. SIMC and its predecessor entities were originally incorporated in 1969.

SIMC is investment advisor to various types of institutional, sophisticated investors, including but not limited to, corporate and union sponsored pension plans, public plans, defined contribution plans (including 401(k) plans), endowments, charitable foundations, hospital organizations, banks, trust departments, registered investment advisors, trusts, corporations, high net worth individuals and retail investors (each, a “Client” and together, the “Clients”). SIMC also serves as the investment advisor to a number of pooled investment vehicles, including mutual funds, hedge funds, private equity funds, collective investment trusts and offshore investment funds (together, the “Pooled Investment Vehicles”). Additionally, SIMC serves as the sponsor of, and advisor to, separately managed accounts.

SIMC’s total assets under management as of December 31, 2011 were \$92,620,508,999, all of which it manages on a discretionary basis.

SEI Private Banking

In SEI’s Private Banking segment, SIMC provides investment advisory services to banks, trust companies, independent investment advisors and other financial institutions, all who are either registered as an investment advisor under applicable federal or state law or are exempt from such registration. For purposes of this Brochure, we use the term “Banks” to refer to any of the Clients that are part of the Private Banking segment to whom SIMC provides one or more of the advisory services described in this Brochure.

SIMC makes available to Banks the following programs in which the Bank may choose to invest the assets of its end investor: (a) SEI Family of Funds and SEI Asset Allocation Program; (b) Managed Account Program and Integrated Managed Account Program; and (c) SEI Distribution Focused Strategies. SIMC does not serve as the advisor or co-advisor to the end investor of the Banks (the “End Investor”). Rather, SIMC serves (a) in connection with the Managed Account Program, Integrated Managed Account Program and Distribution Focused Strategies, as a sub-advisor to the Bank pursuant to a separate sub-advisory agreement; and (b) in connection with the SEI Funds and Asset Allocation Program, as advisor to the SEI Funds. Each program is discussed in turn below. Where relevant, we have also identified when affiliates of SIMC are used as service providers in connection with a program.

1. *SEI Family of Funds and SEI Asset Allocation Program*

(a) SEI Funds

Banks may offer the SEI Family of Funds (“SEI Funds”) to their End Investors. SIMC serves as the investment advisor to the SEI family of mutual funds, each registered with the SEC. SIMC oversees the SEI Funds as a manager-of-managers, which means that SIMC retains one or more sub-advisors to manage the Funds on day-to-day basis, monitors the sub-advisors and, as necessary, replaces sub-advisors. SIMC is generally responsible for establishing, monitoring, and administering the investment program of each SEI Fund. From time to time, SIMC may manage assets directly in the SEI Funds. Please see Item 8 for additional information on the sub-advisor selection process.

SIMC develops various SEI Funds, each of which seeks to achieve particular investment goals. These SEI Funds are not tailored to accommodate the needs or objectives of specific individuals, but rather the program is designed to enable End Investors to be matched by the Bank with an SEI Fund that is consistent with such End Investor’s investment goals and objectives. Additionally, End Investors invested in the SEI Funds may not impose restrictions on investing in certain securities or types of securities within each Fund.

The Bank is solely responsible for determining the suitability of the SEI Funds for its End Investors.

(b) SEI Asset Allocation Program

The Bank’s End Investors can purchase SEI Funds individually, or via a portfolio of mutual funds by investing in SEI Asset Allocation Portfolios (also referred to as “models”). Asset allocation is the central theme of the SEI investment philosophy and the dominant factor in determining total strategy return. Studies have shown that asset allocation decisions account for more than 90% of the variation of total returns, while security selection accounts for only a small residual portion of the variance of total returns. Therefore, the overwhelming determinant of the success of an investment strategy is not which securities or mutual funds were bought or sold, but how the assets were divided among the various asset classes.

Under the Asset Allocation Program, SIMC does not have a direct investment advisory relationship with either the Bank or the Bank’s End Investor. Instead, the Bank serves as the investment advisor to its End Investor, and is responsible for analyzing, among other things, the End Investor’s current financial situation, risk tolerance, time horizon, and asset class preference.

As part of the SEI Asset Allocation Program, SIMC develops various Asset Allocation models, each of which seeks to achieve particular investment goals, and are comprised of SEI Funds (for which SIMC serves as advisor). The models are not tailored to accommodate the needs or objectives of specific individuals, but rather the Asset Allocation Program is

designed to enable End Investors to be matched by the Bank with an Asset Allocation model that is consistent with such End Investor's investment goals and objectives.

The Asset Allocation models are provided for use by the Bank in its determination when developing an investment plan for its End Investors. Based upon the End Investor's information, the Bank and the End Investor select an investment strategy and choose from the available Asset Allocation models. The Bank is solely responsible for determining the suitability of the Asset Allocation model for its End Investors. The Bank may use tools made available by SIMC, including SEI's proprietary Proposal Tool, to develop the appropriate asset allocation strategy for the End Investor, and Private Banking may also provide Banks with administrative assistance in developing such proposals. However, it is the Bank's responsibility to ensure the suitability of any proposed investment, and SIMC is not providing investment advice to the Bank or its End Investor with respect to such proposals. The Bank is solely responsible for the investment advice provided to End Investors in connection with such proposals, and the proposals are not to be presented or employed as a substitute for investment advice to be provided by the Bank.

The End Investor, through the Bank, may (i) adjust its asset allocation to help ensure that the investment mix reflects the objectives of the chosen strategy for the End Investor or (ii) choose a new investment strategy. However, End Investors may not impose restrictions on investing in certain securities or types of securities within each Asset Allocation model.

Within the Asset Allocation Program, SIMC may periodically adjust the target allocations among the Funds in a model or may add or subtract SEI Funds from a model. SIMC also may create new models within the Asset Allocation Program. The Bank determines whether to follow SIMC's adjusted model for their End Investors invested in the current model, and is solely responsible for determining the suitability of the Asset Allocation model strategy (and SEI Funds) for its End Investors. The Bank may also have discretion to create and offer to its End Investors models using SEI Funds, which are not be based on any asset allocation strategy provided by SIMC. These models use both SEI Funds and/or the Bank's proprietary investment products. SIMC and its affiliates may periodically rebalance these models at the Bank's instructions. Additionally, SIMC or its affiliates may provide processing services to the Bank and its clients, for which SIMC or its affiliates may be compensated.

Since a large portion of the assets in the SEI Funds may be comprised of End-Investors following these Asset Allocation Program models, model reallocation activity could result in significant purchase or redemption activity in the SEI Funds. While reallocations are intended to benefit End Investors that invest in the SEI Funds through the Asset Allocation models, they could in certain cases have a detrimental effect on the SEI Funds that are being materially reallocated, including by increasing portfolio turnover (and related transaction costs), disrupting portfolio management strategy, and causing a SEI Fund to incur taxable gains. SIMC seeks to manage the impact to the SEI Funds resulting from reallocations.

In the Asset Allocation Program, SIMC develops various Asset Allocation models, each of which seeks to achieve particular investment goals. These Asset Allocation models are not tailored to accommodate the needs or objectives of specific individuals, but rather the program is designed to enable Clients to be matched with an Asset Allocation model that is consistent with the Client's investment goals and objectives. The models are provided for use by a Bank in its determination when developing an investment plan for its End Investors. End Investors may not impose restrictions on investing in certain securities or types of securities within each Asset Allocation model.

The End Investor, through the Bank, may (i) adjust their asset allocation to help ensure that the investment mix reflects the objectives of the chosen strategy for the End Investor or (ii) choose a new investment strategy.

(c) **Use of Affiliates**

SIMC may hire its affiliates to perform sub-advisory, administrative, custodial, brokerage and other services for its investment products and its Clients. Please refer to Item 10 for additional information.

2. *Managed Account Program and Integrated Managed Account Program*

(a) **Program Summary**

In certain cases, Banks may offer SEI's Managed Account Program ("MAP") or Integrated Managed Account Program ("IMAP") to their End Investors. The Managed Account Program is a wrap fee program which charges a bundled fee that includes advisory, brokerage and custody services. SIMC sponsors and is advisor to the SEI Managed Account Program. The Bank is retained by the End Investor, via a separate agreement, to provide the End Investor, among other things, investment advice concerning the investment of the End Investor's assets. Under the MAP and IMAP solutions, the Bank can invest the End Investor's assets in one or more portfolios of individual securities that are managed pursuant to a specific strategy selected by the Bank. The Bank appoints SIMC, via a separate sub-advisory agreement, to serve as the Bank's sub-advisor. In this capacity, SIMC (as sponsor of, and advisor to, MAP and IMAP) manages MAP and IMAP through its manager of managers structure, which means that SIMC retains one or more sub-advisors to manage the End Investor portfolios on day-to-day basis, monitors the sub-advisors and, as necessary, replaces sub-advisors. Please see Item 8 for additional information on the sub-advisor selection process.

As part of MAP and IMAP, SIMC develops various MAP and IMAP strategies, each of which seeks to achieve particular investment goals. These MAP and IMAP strategies are not tailored to accommodate the needs or objectives of specific individuals, but rather the MAP and IMAP programs are designed to enable End Investors to be matched by the Bank with a MAP or IMAP strategy that is consistent with such End Investor's investment goals and objectives.

The Bank and its End Investor will select the strategy into which the End Investor's assets will be invested. (The End Investors may, at any time, impose reasonable restrictions on the management of the End Investor's account.) In both the MAP and IMAP solutions, the Bank is responsible for determining the initial and on-going suitability to invest the End Investor's assets in the portfolio and strategy selected by the Bank based on, among other things, the End Investor's investment goals, risks, tolerance, limitations and financial circumstances. The Bank may use tools made available by SIMC, including SEI's proprietary Proposal Tool, to develop the appropriate asset allocation strategy for the End Investor. As part of the services, Private Banking may provide Banks with administrative assistance in developing end client proposals using SEI Funds or the MAP Program. However, it is the Bank's responsibility to ensure the suitability of any proposed investment, and SIMC is not providing investment advice to the Bank or its End Investor with respect to such proposals. The Bank is solely responsible for the investment advice provided to End Investors in connection with such proposals, and the proposals are not to be presented or employed as a substitute for investment advice to be provided by the Bank. Banks are also responsible for meeting with the End Investor at least annually to determine any material changes to the End Investor's financial circumstances or investment objectives that may affect the manner in which such client's assets are invested. SIMC develops various MAP and IMAP strategies, each of which seeks to achieve particular investment goals. These MAP and IMAP strategies are not tailored to accommodate the needs or objectives of specific individuals, but rather the program is designed to enable Clients to be matched with a MAP or IMAP strategy that is consistent with the Client's investment goals and objectives. However, End Investor may, at any time, impose reasonable restrictions on the management of the End Investor's account.

SIMC is only responsible for managing those assets which the Bank has directed SIMC to manage as its sub-advisor pursuant to the strategy selected by the Bank and supported by SIMC. For most strategies offered within the Managed Accounts Program, SIMC hires third party sub-advisors that are available for selection by the Bank to manage individual portfolios of stocks and bonds, based on a specific investment strategy developed by SIMC. SIMC may change available sub-advisors in its sole discretion with written notice to the Bank. With respect to certain strategies, SIMC may manage securities directly, rather than delegating to a sub-advisor (e.g., certain fixed income portfolios; see *"SEI Fixed Income Portfolio Management"* section for additional information), and, in some cases, SEI Funds may be recommended for a portfolio. SIMC manages Managed Account Program accounts (i.e., "wrap fee accounts") in the same manner that it manages non-wrap fee separate accounts with the same investment strategy or mandate. SIMC may receive a portion of the wrap fee for its services. Participation in the Managed Account Program may cost the End Investor more or less than if the End Investor paid separately for investment advice, brokerage, and other services. In addition, the fees may be higher or lower than that charged by other sponsors of comparable wrap fee programs. Clients may have the option to purchase certain SEI investment products, including the SEI Funds, that SIMC recommends through other brokers or agents not affiliated with SIMC.

As part of the MAP solution, the Bank may also request that SIMC provide certain sub-advisory services to the Bank in connection with Bank affiliated or third party managers

with whom the Bank has contracted directly to manage a portfolio of individual securities pursuant to a strategy (a “Bank Managed Portfolio”). In such cases, the Bank has not directed SIMC to manage such Bank Managed Portfolios pursuant to a selected strategy. Rather, SIMC provides only the following advisory services to the Bank in connection with such Bank Managed Portfolios established under MAP: SIMC (either itself or through an investment manager selected by SIMC) will receive model portfolio information from the Bank affiliated or third party investment manager managing the Bank Managed Portfolio, and seek to replicate such model for the End Investor accounts invested in such model portfolios. In carrying out such services, SIMC reserves the right to deviate from the model portfolio, as it determines appropriate.

In connection with the IMAP solution only, SIMC will also provide certain tax overlay portfolio management services to the equity portfolios the Bank has appointed SIMC to manage. As part of these tax overlay services, SIMC appoints a tax overlay manager for the equity portions of the portfolios. The various equity sub-advisors for the End Investor’s portfolio provide buy/sell lists (i.e., models) to the overlay manager, which then is responsible for executing the transactions (within the parameters of performance and security weighting variances from the underlying model portfolios), with the goal of increased coordination across the equity account, increased tax efficiency and minimization of wash sales. Neither the tax manager nor SIMC offers tax advice; clients should consult with their tax advisors as to the suitability of the tax management feature for their accounts.

A sub-advisor’s buy/sell list (model) may reflect a strategy that is implemented for the sub-advisor’s proprietary and/or other client accounts. A sub-advisor may, in certain circumstances, execute the strategy for its proprietary and/or other client accounts prior to submitting its buy/sell list (i.e., model) to the overlay manager. In this circumstance, trades ultimately placed by the overlay manager for its clients may be subject to price movements, particularly with large orders or where securities are thinly traded, that may result in the IMAP clients receiving prices that are less favorable than the prices obtained by the overlay manager for its proprietary or other discretionary client accounts.

The Bank may also establish Bank Managed Portfolios under IMAP. In such cases, the Bank appoints SIMC to provide the noted tax overlay services to the equity portions of such Bank Managed Portfolios. (In certain cases, Banks can appoint SIMC as a sub-advisor for the sole purpose of provided these tax overlay services to the equity portions of Bank Managed Portfolios.

SEI Fixed Income Portfolio Management

SEI Fixed Income Portfolio Management (“SFIPM”) is a unit within SIMC that provides fixed income investment solutions directly, rather than through the use of sub-advisors, to Bank End Investors. SFIPM portfolios are available through the MAP solution. SFIPM manages taxable and tax-exempt fixed income separate accounts of various maturities, including short-term cash management, laddered bond, and Treasury or Government portfolios as well as portfolios of insured certificates of deposit. The Bank is responsible for analyzing

the financial situation, return expectations, risk tolerance, investment time horizon, cash needs and asset class preference(s) of each SFIPM End Investor.

SIMC may also serve as sub-advisor to other third-party separately managed accounts.

(b) Affiliated Service Providers

SIMC may hire its affiliates to perform sub-advisory, administrative, custodial, brokerage and other services for its investment products and its Clients. Please refer to Item 10 for additional information.

3. *SEI Distribution-Focused Strategies*

(a) Program Summary

The SEI Distribution-Focused Strategies (the “DFS Program”), which are offered to high net worth and other retail investors individuals through Banks, are investment strategies designed for investors requiring regular distributions from their investment accounts. In this program, Banks invest End Investor assets in a portfolio of SEI Funds within a strategy seeking to generate a targeted level of distributions using a broadly diversified portfolio of assets. In addition to pursuing the targeted distribution objectives, the DFS Program seeks to provide a degree of principal preservation by seeking to leave a positive residual value at the end of each strategy’s stated investment time horizon. While each DFS strategy has a targeted distribution level and residual value, there is no assurance that either target will actually be met.

The Bank is retained by the End Investor, via a separate agreement, to provide the End Investor, among other things, investment advice concerning the investment of the End Investor’s assets. Banks may offer the DFS Program to such End Investors by entering into a separate sub-advisory agreement with SIMC. Pursuant to this agreement the Bank appoints SIMC to manage the assets in each portfolio in accordance with the DFS strategy selected by the Bank.

As part of the DFS Program, SIMC develops various DFS strategies, each of which seeks to achieve particular investment goals. SIMC is responsible for selecting securities (generally SEI’s proprietary mutual funds) underlying each portfolio and actively managing each portfolio in accordance with its investment strategy. These DFS strategies are not tailored to accommodate the needs or objectives of specific individuals, but rather the program is designed to enable End Investors to be matched by the Bank with a DFS strategy that is consistent with such End Investor’s investment goals and objectives.

The Bank and its End Investor will select the DFS strategy into which the End Investor’s assets will be invested. The Bank is responsible for determining the initial and on-going suitability to invest the End Investor’s assets in the DFS Program based on, among other things, the End Investor’s investment goals, risks, tolerance, limitations and financial circumstances. The Bank may use tools made available by SIMC, including SEI’s

proprietary Proposal Tool, to develop the appropriate asset allocation strategy for the End Investor, and Private Banking may also provide Banks with administrative assistance in developing such proposals. However, it is the Bank's responsibility to ensure the suitability of any proposed investment, and SIMC is not providing investment advice to the Bank or its End Investor with respect to such proposals. The Bank is solely responsible for the investment advice provided to End Investors in connection with such proposals, and the proposals are not to be presented or employed as a substitute for investment advice to be provided by the Bank. Banks are also responsible for meeting with the End Investor at least annually to determine any material changes to the End Investor's financial circumstances or investment objectives that may affect the manner in which such End Investor's assets are invested.

SIMC is responsible for managing only those assets that the Bank allocates to the DFS Program in accordance with the DFS strategies selected by the Bank. These DFS strategies are not tailored to accommodate the needs or objectives of specific individuals, but rather the program is designed to enable Clients to be matched with a DFS strategy that is consistent with the Client's investment goals and objectives. Also the End-Investor may not impose reasonable restrictions on the management of their accounts. However, each End Investor has a number of options available in each strategy to allow for a level of customization, such as expected duration of the strategy, the End Investor's desired distribution rate, and whether the End Investor desires to have the distributions adjusted for inflation.

(b) Affiliated Service Providers

SIMC may hire its affiliates to perform sub-advisory, custodial and brokerage services for its investment products and its Clients. Please refer to Item 10 for additional information.

Item 5 -- Fees and Compensation

SEI Funds and SEI Asset Allocation Program

Each SEI Fund pays an advisory fee to SIMC that is based on a percentage of the portfolio's average daily net assets, as described in the mutual fund's prospectus. From such amount, SIMC pays the sub-advisor(s) to the fund. SIMC's fund advisory fee varies, but it typically ranges from .10% - 1.50% of the portfolio's average daily net assets for its advisory services. Affiliates of SIMC provide administrative, distribution and transfer agency services to all of the portfolios within the SEI Funds, as described in the SEI Funds' registration statements. These fees and expenses are paid by the SEI Funds but ultimately are borne by each shareholder of the SEI Funds. If an End Investor invests in a model available through the Asset Allocation Program, the End Investor will be charged the expense ratios of each of the SEI Funds included in that particular model. Clients may have the option to purchase certain SEI investment products, including SEI Funds, that SIMC recommends through other brokers or agents not affiliated with SIMC.

Managed Account Program and Integrated Managed Account Program

In the Managed Account Program and Integrated Managed Account Program, Banks pay a fee to SIMC for its advisory services, the trade execution provided by SIMC's affiliate SIDCO, custody services provided by SPTC, and the advisory services of portfolio managers. SIMC's fees are a percentage of the market value of the assets invested in the relevant portfolio.

The MAP and IMAP fees do not cover charges resulting from trades effected with or through broker/dealers other than SIDCO or its affiliates or agents, or mark-ups or markdowns by these other broker/dealers. The fees also do not cover transfer taxes, exchange fees, odd-lot differentials, handling charges, electronic fund and wire transfer fees, and any other charges imposed by law or otherwise agreed to with regard to the End Investor's account. In certain cases, Banks may offer IMAP to its clients and charge clients separately for investment management and brokerage commissions (the "Unbundled IMAP Program"). Under the Unbundled IMAP Program, the End Investor is charged separately for brokerage transactions by SIMC's affiliate, SIDCO or any other non-affiliated broker/dealer used in the program. Please refer to Item 12 for additional information on SIDCO.

SIMC's maximum fee schedule for the Managed Account Program and Integrated Managed Account Program is as follows:

Strategy	Fees paid to SIMC for accounts opened prior to January 1, 2012	Fees paid to SIMC for accounts opened after January 1, 2012
Large Cap Core/Transition Strategy	0.85% for the first \$1 million 0.80% for the next \$2 million 0.75% for the next \$2 million Negotiable for above \$5 million	0.90% for the first \$500,000 0.85% for the next \$500,000 0.80% for the next \$1 million 0.75% for the next \$3 million 0.70% for the next \$5 million 0.65% for amounts over \$10 million
All Cap/Large Cap Core, All Cap Value, Large Cap Core, US Large Cap Growth, US Large Cap Value, and Managed Volatility/Tax-Sensitive Managed Volatility Strategies	0.90% for the first \$1 million 0.90% for the next \$2 million 0.85% for the next \$2 million Negotiable for above \$5 million	0.90% for the first \$500,000 0.85% for the next \$500,000 0.80% for the next \$1 million 0.75% for the next \$3 million 0.70% for the next \$5 million 0.65% for amounts over \$10 million
Mid Cap Strategies	1.10% for the first \$1 million 1.00% for the next \$2 million 0.90% for the next \$2 million Negotiable for above \$5 million	0.90% for the first \$500,000 0.85% for the next \$500,000 0.80% for the next \$1 million 0.75% for the next \$3 million 0.70% for the next \$5 million 0.65% for amounts over \$10 million

Small Cap Strategies	1.20% for the first \$1 million 1.10% for the next \$2 million 1.00% for the next \$2 million Negotiable for above \$5 million	1.10% for the first \$500,000 1.05% for the next \$500,000 1.00% for the next \$1 million 0.95% for the next \$3 million 0.90% for the next \$5 million 0.85% for amounts over \$10 million
Mid Cap Core International Developed Strategy	1.20% for the first \$1 million 1.10% for the next \$2 million 1.00% for the next \$2 million Negotiable for above \$5 million	0.90% for the first \$500,000 0.85% for the next \$500,000 0.80% for the next \$1 million 0.75% for the next \$3 million 0.70% for the next \$5 million 0.65% for amounts over \$10 million
International Emerging Strategy	1.65% for the first \$1 million 1.55% for the next \$2 million 1.45% for the next \$2 million Negotiable for above \$5 million	1.25% for the first \$500,000 1.20% for the next \$500,000 1.15% for the next \$1 million 1.10% for the next \$3 million 1.05% for the next \$5 million 1.00% for amounts over \$10 million
Preferred Securities, Active Municipal Bond, Government Credit, Closed End Fund and Core Aggregate Strategies	0.70% for the first \$1 million 0.65% for the next \$2 million 0.60% for the next \$2 million Negotiable for above \$5 million	0.65% for the first \$500,000 0.60% for the next \$500,000 0.56% for the next \$1 million 0.54% for the next \$3 million 0.50% for the next \$5 million 0.45% for amounts over \$10 million
Laddered Strategies, Municipal Bond, Government/Corporate Bond, Corporate Bond, Treasury Inflated Protected Security, Certificate of Deposit (CD) Portfolio Strategy and Floating Rate Note Strategy	0.30% for the first \$500,000 0.27% for the next \$500,000 0.25% for the next \$1 million 0.20% for the next \$3 million Negotiable for above \$5 million	0.30% for the first \$500,000 0.27% for the next \$500,000 0.25% for the next \$1 million 0.20% for the next \$3 million 0.19% for the next \$5 million Negotiable for amounts over \$10 million
Integration feature	up to 0.15% for the first \$500,000 and 0.05 % for amounts in excess of \$500,000 in assets under management	0.10% in addition to the fees paid to SIMC described above

SIMC charges an additional fee up to 0.60% to support Bank affiliated or third party-sub-advisors established under the Managed Account Program.

SIMC will also charge an integration fee to the account when the Bank selects the tax overlay features of IMAP. SIMC will also charge an integration fee where the Bank designates a portfolio that is managed by an affiliated or third party sub-advisor to receive the overlay services. These additional fees only apply to the equity portion of an account that is identified to receive the overlay services; the fees do not apply to the fixed income or mutual funds portion of the account (if applicable). A selection of Banks may receive a fee discount.

SIMC's fees are calculated and payable quarterly in arrears and net of any income, withholding or other taxes. SIMC invoices the Bank for the MAP/IMAP fees on a quarterly basis. These fees may be higher or lower than those charged by other firms for similar services. Clients may have the option to purchase certain SEI investment products, including the SEI Funds, that SIMC recommends through other brokers or agents not affiliated with SIMC.

SIMC may also charge Banks a one-time fee of up to \$100,000 for initial implementation of the IMAP Program.

SIMC may impose minimum account balances ranging from \$50,000 to \$1,000,000 depending upon the portfolio and whether the Bank selects the IMAP feature.

To the extent assets in MAP or IMAP are invested in SEI Funds, SIMC and its affiliates will earn fund-level fees on those assets, as set forth in the applicable SEI Fund's prospectus.

Distribution Focused Strategies

Since strategies in the DFS Program invest in SEI Funds, SIMC and its affiliates will earn fund-level fees on those assets, as set forth in the applicable Fund's prospectus. Please see the SEI Funds fees section in this Item 5 for more information.

Additionally, for the DFS Program, SIMC charges a maximum Program Fee of 0.20% for providing administrative and recordkeeping services and other services to accounts invested in the DFS Program. The fee is calculated and paid to SIMC quarterly in arrears. SIMC will invoice the Banks for this fee on a quarterly basis.

Further, End Investor assets will be custodied at SPTC and the Bank may be charged fees for services provided on the End Investor accounts. These fees will vary depending on the trading activity in and general administrative support for the account. SPTC invoices the Bank for these fees on a monthly basis. The Bank will then charge the End Investor directly for these charges.

SIMC may impose minimum account balances ranging from \$50,000 to \$1,000,000 depending upon the DFS Portfolio chosen.

Item 6 -- Performance Based Fees and Side-By-Side Management

SIMC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) to Banks or Bank End Clients.

Item 7 -- Types of Clients

Please refer to Item 4 for a description of the types of Clients to whom SIMC and SEI Private Banking generally provides investment advice.

Please refer to Item 5 for information regarding fees and minimum account sizes.

Item 8 -- Methods of Analysis, Investment Strategies and Risk of Loss

SIMC's Overall Investment Philosophy

SIMC's philosophy is based on active asset management, which consists of five key components: asset allocation, portfolio design, investment manager selection, portfolio construction and risk management. SIMC's philosophy and process offers Clients personalization, diversification, coordination and management, and represents a strategy geared toward achieving long-term investment goals in various financial climates.

Asset Allocation. Asset allocation is a precise division of a Client's portfolio that sets up boundaries for a portfolio's risk exposure and return potential. SIMC's approach to asset allocation takes Clients' goals into account, along with more traditional yardsticks like market indices and standard deviation. SIMC constructs multiple model portfolios to address a wide variety of Client goals, and dedicate considerable resources to active asset allocation decisions that help our investment offerings keep pace with an evolving market environment.

Portfolio Design. In terms of portfolio design, SIMC generally attempts to identify alpha source(s), or returns in excess of the benchmark, across equity, fixed-income and alternative-investment portfolios. SIMC looks for sources of excess return that have demonstrated staying power over the long term across multiple markets in a given geographic region. Alpha sources are classified into broad categories; categorizing them in this manner allows us to create portfolios that are not simply diversified between asset classes (e.g., equity and fixed-income strategies), but also diversified across the underlying drivers of alpha.

Investment Manager Selection. When it comes to security selection within Client portfolios, SIMC operates primarily as a "manager-of-managers," which means that SIMC typically hires investment managers (third party and affiliated) to select individual securities. As a manager-of-managers, SIMC aims to identify, classify and validate manager skill when choosing investment managers. Differentiating manager skill from market-generated returns is one of SIMC's primary objectives, as it seeks to identify managers that can deliver consistent results. SIMC develops

forward-looking expectations regarding how a manager will execute a given investment mandate, environments in which the strategy should outperform and environments in which the strategy might underperform.

SIMC selects portfolio managers based on SIMC's manager research process. SIMC uses proprietary databases and software, supplemented by data from various third parties, to perform a qualitative and quantitative analysis of portfolio managers. The qualitative analysis focuses on a manager's investment process, personnel, and performance. Quantitative analysis identifies the sources of a manager's return relative to a benchmark. SIMC uses proprietary performance attribution models as well as models developed by BARRA, Blackrock, and others in its manager research process. SIMC typically appoints several sub-advisors within a stated asset class. (For instance, SIMC will generally have more than one portfolio manager assigned to the large cap growth asset class.)

Portfolio Construction. The portfolio construction process seeks to maximize the risk-adjusted rate of return by finding a proper level of diversification between alpha sources and the investment managers implementing them. Based on SIMC's asset-class-specific analysis, as well as typical Client risk tolerances, SIMC sets strategic alpha source allocation targets at the investment product level. With limited exceptions, SIMC uses a manager-of-managers approach to construct its portfolios.

Risk Management. SIMC relies on a risk management group to focus on common risks across and within asset classes. Daily monitoring of assigned portfolio tolerances and deviations result in an active risk mitigation program.

SIMC combines the above components to create a theory of active asset management that transcends the traditional focus on index funds versus active managers to encompass a more comprehensive view of asset management across products, investment managers and asset classes.

Implementation Through Investment Products

The foregoing discusses SIMC's investment philosophy in designing diversified investment portfolios for SIMC's Clients. In most cases, implementation of a Client's investment portfolio is accomplished through investing in a range of investment products, which may include mutual funds, hedge funds, closed-end funds, private equity funds, collective investment trusts, or separately managed accounts. SIMC's third party managers may manage these investment products, or SIMC may manage these products directly.

In order to provide Clients with sufficient diversification and flexibility, SIMC manages products across a very wide range of investment strategies. These would include, to varying degrees, large and small capitalization U.S. equities, foreign developed markets equities, foreign emerging markets equity, real estate securities, U.S. investment grade fixed income securities, U.S. high yield (below investment grade) fixed income securities,

foreign developed market fixed income securities, emerging markets debt, U.S. and foreign government securities, currencies, structured or asset-backed fixed income securities (including mortgage-backed), municipal bonds and other types of asset classes. SIMC also directly manages Collateralized Debt Obligations (“CDOs”) within certain investment products. CDOs are structured securities whose cash flows are linked to the performance of a diversified pool of collateral, which is actively managed. SIMC may also seek to achieve the product’s investment objectives by investing in derivative instruments, such as futures, forwards, options, swaps or other types of derivative instruments. Additionally, SIMC may also seek to achieve the investment product’s objective by investing some or all of its assets in affiliated and unaffiliated mutual funds, including money market funds. Within a mutual fund product, SIMC may also seek to gain exposure to the commodity markets, in whole or in part, through investments in a wholly owned subsidiary of the mutual fund organized under the laws of the Cayman Islands. Certain of SIMC’s product strategies may also attempt to utilize tax-management techniques to manage the impact of taxes.

Further, SIMC may invest SEI’s alternative investment funds in third party hedge funds or private equity funds that engage in a wide variety of investment techniques and strategies that carry varying degrees of risks. This may include long-short equity strategies, equity market neutral, merger arbitrage, credit hedging, distressed debt, sovereign debt, real estate, private equity investments, derivatives, currencies or other types of investments.

While SIMC’s investment strategies are normally implemented through pooled Investment Vehicles, certain Clients’ assets may be invested directly in the target investments through a separately managed account or other means. The strategies that SIMC implements in such accounts is currently more limited than the breadth of strategies contained in SIMC’s funds, and generally covers U.S. large and small capitalization equity securities, emerging market ADRs and U.S. fixed income securities, including government securities and municipal bonds. SIMC may also implement strategies involving derivative securities directly within a Client’s accounts.

SEI Fixed Income Portfolio Management (“SFIPM”) is a unit within SIMC that provides fixed income investment solutions directly, rather than through the use of sub-advisors, to institutions and individuals through separate accounts. SFIPM manages taxable and tax-exempt fixed income investment portfolios of various maturities, including short-term cash management, laddered bond, and Treasury or Government portfolios. SIMC is responsible for formulating a strategy based on a Client’s investment guidelines. This strategy could include money market mutual funds, individual securities (including both taxable and tax-free fixed income securities) and tri-party repurchase agreements (“repos”), or any other securities that can be utilized in the development of a cash management investment strategy.

Investment Vehicle Strategies

Since SIMC implements such a broad range of strategies within its investment products, it would not be practical to set forth in detail each strategy that SIMC has developed for use across its products. The disclosure in this Brochure is not intended to supplant any product-specific disclosure documents. Clients should refer to the prospectus or other

offering materials that it receives in conjunction with investing in a SIMC investment product for a detailed discussion of the strategy and risks associated with such product. Moreover, this Form ADV disclosure addresses strategies designed and implemented by SIMC and does not address strategies that may be implemented by third parties (e.g. unaffiliated investment advisors, banks, institutions or other intermediaries) through the use of SEI products.

A strategies' exposure to the foregoing asset classes, including the degree of exposure, is subject to change at any time due to evolving investment philosophies and market conditions. The risks associated with such strategies are also therefore subject to change at any time.

Material Risks

All strategies implemented by SIMC involve a risk of loss that Clients should be prepared to bear.

Given the very wide range of investments in which a Client's assets may be invested, either directly or through one or more investment funds, there is similarly a very wide range of risks to which a Client's assets may be exposed. The particular risks to which a specific Client might be exposed will depend on the specific investment strategies incorporated into that Client's portfolio. As such, the Client should refer to the prospectus or other offering materials that it receives in conjunction with investing in an SEI investment product for a detailed description of the risks of investing in that product.

Set forth below are the material risks to which a Client might be exposed in connection with SIMC's implementation of a strategy:

Absolute Return – A portfolio that seeks to achieve an absolute return with reduced correlation to stock and bond markets may not achieve positive returns over short or long term periods. Investment strategies that have historically been non-correlated or have demonstrated low correlations to one another or to stock and bond markets may become correlated at certain times and, as a result, may cease to function as anticipated over either short or long term periods.

Arbitrage Strategies Risk — Arbitrage strategies involve engaging in transactions that attempt to exploit price differences of identical, related or similar securities on different markets or in different forms. A portfolio may realize losses or a reduced rate of return if underlying relationships among securities in which it takes investment positions change in an adverse manner or a transaction is unexpectedly terminated or delayed. Trading to seek short-term capital appreciation can be expected to cause a portfolio's turnover rate to be substantially higher than that of the average equity-oriented portfolio.

Asset Allocation Risk — The risk that an investment advisor's decisions regarding a portfolio's allocation to asset classes or underlying funds will not anticipate market trends successfully.

Asset-Backed Securities Risk — Payment of principal and interest on asset-backed securities is dependent largely on the cash flows generated by the assets backing the securities, and asset-backed securities may not have the benefit of any security interest in the related assets.

Bank Loans Risk - With respect to bank loans, the portfolio will assume the credit risk of both the borrower and the lender that is selling the participation. The portfolio may also have difficulty disposing of bank loans because, in certain cases, the market for such instruments is not highly liquid.

Below Investment Grade Securities Risk - Fixed income securities rated below investment grade (junk bonds) involve greater risks of default or downgrade and are more volatile than investment grade securities because the prospect for repayment of principal and interest of many of these securities is speculative.

CDOs and CLOs Risk — CDOs and CLOs are securities backed by an underlying portfolio of debt and loan obligations, respectively. CDOs and CLOs issue classes or “tranches” that vary in risk and yield and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and removal of subordinate tranches, market anticipation of defaults and investor aversion to CDO and CLO securities as a class. The risks of investing in CDOs and CLOs depend largely on the tranche invested in and the type of the underlying debts and loans in the tranche of the CDO or CLO, respectively, in which the portfolio invests. CDOs and CLOs also carry risks including, but not limited to, interest rate risk and credit risk, which are described below.

Commodity Investments and Derivatives Risk — Commodity investments and derivatives may be more volatile and less liquid than direct investments in the underlying commodities themselves. Commodity-related equity returns can also be affected by the issuer’s financial structure or the performance of unrelated businesses. The value of a commodity investment or a derivative investment in commodities is typically based upon the price movements of a physical commodity, a commodity futures contract or commodity index or some other readily measurable economic variable that is dependent upon changes in the value of commodities or the commodities markets. The value of these securities will rise or fall in response to changes in the underlying commodity or related benchmark or investment, changes in interest rates or factors affecting a particular industry or commodity, such as natural disasters, weather and U.S. and international economic, political and regulatory developments.

Commodity-linked Securities Risk — Investments in commodity-linked securities may be more volatile and less liquid than direct investments in the underlying commodities themselves. Commodity-related equity returns can also be affected by the issuer’s financial structure or the performance of unrelated businesses.

Closed-End Fund Risk — Closed-end investment companies issue a fixed number of shares that trade on a stock exchange or over-the-counter at a premium or a discount to their net

asset value. As a result, a closed-end fund's share price fluctuates based on what another Client is willing to pay rather than on the market value of the securities in the fund.

Convertible and Preferred Securities— Convertible and preferred securities generally have less potential for gain or loss than common stocks. In addition, convertible and preferred securities generally provide yields higher than the underlying common stocks, but generally lower than comparable non-convertible securities. Because of this higher yield, convertible and preferred securities generally sell at a price above their “conversion value,” which is the current market value of the stock to be received upon conversion. The difference between this conversion value and the price of convertible and preferred securities will vary over time depending on changes in the value of the underlying common stocks and interest rates. Convertible and preferred securities are also subject to credit risk and are often lower-quality securities.

Corporate Fixed Income Securities Risk – Corporate fixed income securities respond to economic developments, especially changes in interest rates, as well as perceptions of the creditworthiness and business prospects of individual issuers.

Credit Risk – The risk that the issuer of a security, or the counterparty to a contract, will default or otherwise become unable to honor a financial obligation.

Currency Risk — As a result of investments in securities denominated in, and/or receiving revenues in, foreign currencies the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency hedged. In either event, the dollar value of an investment would be adversely affected. To the extent that a portfolio takes active or passive positions in currencies it will be subject to the risk that currency exchange rates may fluctuate in response to, among other things, changes in interest rates, intervention (or failure to intervene) by U.S. or foreign governments, central banks or supranational entities, or by the imposition of currency controls or other political developments in the United States or abroad.

Depository Receipts— Depository receipts, such as ADRs, are certificates evidencing ownership of shares of a foreign issuer that are issued by depository banks and generally trade on an established market. Depository receipts are subject to many of the risks associated with investing directly in foreign securities, including among other things, political, social and economic developments abroad, currency movements, and different legal, regulatory and tax environments.

Derivatives Risk — A portfolio's use of futures, forwards, options and swaps is subject to market risk, leverage risk, correlation risk and liquidity risk. Leverage risk, liquidity risk and market risk are described below. Correlation risk is the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. A portfolio's use of forwards and swap agreements is also subject to credit risk and valuation risk. Valuation risk is the risk that the derivative may be difficult to value and/or valued

incorrectly. Credit risk is described above. Each of these risks could cause a portfolio to lose more than the principal amount invested in a derivative instrument.

Directional or Tactical Strategies Risk — Directional or tactical strategies usually use long and short positions which entail prediction on the direction into which the overall market is going to move. Directional or tactical strategies may utilize leverage and hedging. There may be a significant risk of loss if the portfolio's judgment is incorrect as to the direction, timing or extent of expected market movements of particular securities or sectors or the market as a whole.

Distressed Securities Risk — Distressed securities frequently do not produce income while they are outstanding and may require a portfolio to bear certain extraordinary expenses in order to protect and recover its investment. Distressed securities are at high risk for default.

Duration Risk — Longer-term securities in which a portfolio may invest tend to be more volatile than short term securities. A portfolio with longer average portfolio duration is more sensitive to changes in interest rates than a portfolio with shorter average portfolio duration.

Equity Market Risk – The risk that stock prices will fall over short or extended periods of time.

Event-Driven Strategies Risk — Event-driven strategies involve making evaluations and predictions about both the likelihood that a particular event in the life of a company will occur and the impact such an event will have on the value of the company's securities. The transaction in which such a company is involved may be unsuccessful, take considerable time (or longer than anticipated) or may result in a distribution of cash or a new security, the value of which may be less than the purchase price of the company's security. If an anticipated transaction does not occur, the portfolio may be required to sell its securities at a loss.

Exchange-Traded Funds (ETFs) Risk – The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio securities.

Exchange-Traded Notes (ETNs) — The value of an ETN is subject to the credit risk of the issuer. There may not be an active trading market available for some ETNs. Additionally, trading of ETNs may be halted or delisted by the listing exchange.

Extension Risk — The risk that rising interest rates may extend the duration of a fixed income security, typically reducing the security's value.

Fixed Income Market Risk - The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the

creditworthiness of individual issuers, including governments and their agencies. In the case of foreign securities, price fluctuations will reflect international economic and political events as well as changes in currency valuations relative to the U.S. dollar.

Foreign Investment/Emerging Markets Risk – The risk that non-U.S. securities may be subject to additional risks due to, among other things, political, social and economic developments abroad, currency movements and different legal, regulatory and tax environments. These additional risks may be heightened with respect to emerging market countries since political turmoil and rapid changes in economic conditions are more likely to occur in these countries.

Foreign Sovereign Debt Securities Risk – The risks that (i) the governmental entity that controls the repayment of sovereign debt may not be willing or able to repay the principal and/or interest when it becomes due, due to factors such as debt service burden, political constraints, cash flow problems and other national economic factors; (ii) governments may default on their debt securities, which may require holders of such securities to participate in debt rescheduling or additional lending to defaulting governments; and (iii) there is no bankruptcy proceeding by which defaulted sovereign debt may be collected in whole or in part.

Hedged Strategies Risk — A portfolio may employ investment strategies that involve greater risks than the strategies used by typical portfolios, including short sales or derivatives transactions. There is no assurance that hedged strategies will protect against losses or perform better than non-hedged strategies.

Income Risk — The possibility that a portfolio's yield will decline due to falling interest rates.

Inflation Protected Securities Risk—The value of inflation protected securities, including TIPS, typically will fluctuate in response to changes in “real” interest rates, generally decreasing when real interest rates rise and increasing when real interest rates fall. Real interest rates represent nominal (or stated) interest rates reduced by the expected impact of inflation. In addition, interest payments on inflation-indexed securities will generally vary up or down along with the rate of inflation.

Interest Rate Risk — The risk that a portfolio's yield will decline due to falling interest rates. An increase in interest rates typically causes the value of fixed income securities in which a portfolio invests to fall, while a decrease in interest rates typically causes the value of such securities to rise.

Investment Company Risk — When a portfolio invests in an investment company, including closed-end funds and ETFs, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the investment company's expenses. Further, while the risks of owning shares of an investment company generally reflect the risks of owning the underlying investments of the investment company, the portfolio may be subject to additional or different risks than if the portfolio had invested directly in the

underlying investments. For example, the lack of liquidity in an ETF could result in its value being more volatile than that of the underlying portfolio securities. Closed-end investment companies issue a fixed number of shares that trade on a stock exchange or over-the-counter at a premium or a discount to their net asset value. As a result, a closed-end fund's share price fluctuates based on what another investor is willing to pay rather than on the market value of the securities in the fund.

Investment Style Risk - The risk that the portfolio's strategy may underperform other segments of the markets or the markets as a whole.

Investment in a Subsidiary Risk— If an investment company invests in a wholly owned subsidiary of the investment company organized under the laws of the Cayman Islands (the "Subsidiary"), it will be subject to the following risks. The Subsidiary is not registered under the Investment Company Act of 1940 ("1940 Act") and, unless otherwise noted in the relevant prospectus, is not subject to all of the investor protections of the 1940 Act. Thus, the investment company, as an investor in the Subsidiary, will not have all of the protections offered to investors in registered investment companies. In addition, changes in the laws of the United States and/or the Cayman Islands, under which the investment company and the Subsidiary, respectively, are organized, could result in the inability of the investment company and/or the Subsidiary to operate as intended and could negatively affect the investment company and its shareholders.

Leverage Risk - The use of leverage can amplify the effects of market volatility on the value of a portfolio's investments and may also cause the portfolio to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations.

Liquidity Risk — The risk that certain securities may be difficult or impossible to sell at the time and the price that the portfolio would like. The portfolio may have to lower the price, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on portfolio management or performance.

Market Risk — The risk that the market value of a security may move up and down, sometimes rapidly and unpredictably. Market risk may affect a single issuer, an industry, a sector or the equity or bond market as a whole.

Master Limited Partnership (MLP) Risk — Investments in units of master limited partnerships involve risks that differ from an investment in common stock. Holders of the units of master limited partnerships have more limited control and limited rights to vote on matters affecting the partnership. There are also certain tax risks associated with an investment in units of master limited partnerships. In addition, conflicts of interest may exist between common unit holders, subordinated unit holders and the general partner of a master limited partnership, including a conflict arising as a result of incentive distribution payments. The benefit a portfolio derives from investment in MLP units is largely dependent on the MLPs being treated as partnerships and not as corporations for federal income tax purposes. If an MLP were classified as a corporation for federal income tax

purposes, there would be a reduction in the after-tax return to the portfolio of distributions from the MLP, likely causing a reduction in the value of the portfolio. MLP entities are typically focused in the energy, natural resources and real estate sectors of the economy. A downturn in the energy, natural resources or real estate sectors of the economy could have an adverse impact on the portfolio. At times, the performance of securities of companies in the energy, natural resources and real estate sectors of the economy may lag the performance of other sectors or the broader market as a whole. The Internal Revenue Code of 1986, as amended, provides that an investment company is permitted to invest up to 25% of its assets in one or more qualified publicly traded partnerships (QPTPs), which will include certain MLPs, and treat the income distributed by such QPTPs as qualifying income for purposes of the regulated investment company annual qualifying income requirements.

Money Market Funds - With respect to an investment in money market funds, an investment in the money market fund is not a bank deposit nor is it insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the money market fund seeks to maintain a constant price per share of \$1.00, you may lose money by investing in the money market fund.

Mortgage-Backed Securities Risk — Mortgage-backed securities are affected by, among other things, interest rate changes and the possibility of prepayment of the underlying mortgage loans. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations.

Mortgage Dollar Rolls Risk — Mortgage dollar rolls are transactions in which a portfolio sells securities (usually mortgage-backed securities) and simultaneously contracts to repurchase substantially similar, but not identical, securities on a specified future date. If the broker-dealer to whom a portfolio sells the security becomes insolvent, the portfolio's right to repurchase the security may be restricted. Other risks involved in entering into mortgage dollar rolls include the risk that the value of the security may change adversely over the term of the mortgage dollar roll and that the security the portfolio is required to repurchase may be worth less than the security that the portfolio originally held.

Municipal Securities Risk — Municipal securities, like other fixed income securities, rise and fall in value in response to economic and market factors, primarily changes in interest rates, and actual or perceived credit quality. Rising interest rates will generally cause municipal securities to decline in value. Longer-term securities respond more sharply to interest rate changes than do shorter-term securities. A municipal security will also lose value if, due to rating downgrades or other factors, there are concerns about the issuer's current or future ability to make principal or interest payments. State and local governments rely on taxes and, to some extent, revenues from private projects financed by municipal securities, to pay interest and principal on municipal debt. Poor statewide or local economic results or changing political sentiments may reduce tax revenues and increase the expenses of municipal issuers, making it more difficult for them to meet their obligations. Actual or perceived erosion of the creditworthiness of municipal issuers may reduce the value of a portfolio's holdings. As a result, a portfolio will be more susceptible to factors which adversely affect issuers of municipal obligations than a portfolio which does

not have as great a concentration in municipal obligations. Also, there may be economic or political changes that impact the ability of issuers of municipal securities to repay principal and to make interest payments on securities owned by a portfolio. Any changes in the financial condition of municipal issuers also may adversely affect the value of the portfolio.

Non-Diversified Risk – To the extent that a portfolio is non-diversified, which means that it may invest in the securities of relatively few issuers, it may be more susceptible to a single adverse economic or political occurrence affecting one or more of these issuers, and may experience increased volatility due to its investments in those securities.

Opportunity Risk — The risk of missing out on an investment opportunity because the assets necessary to take advantage of it are tied up in other investments.

Portfolio Turnover Risk – To the extent that a portfolio buys and sells securities frequently, such activity may result in increased brokerage or other higher transaction costs and additional capital gains tax liabilities. These costs affect the portfolio's performance. To the extent that a portfolio invests in an underlying fund the portfolio will have no control over the turnover of the underlying fund. In addition, the withdrawal of a portfolio from an underlying fund could involve expenses, such as redemption fees, to the portfolio under the terms of the portfolio's investment.

Prepayment Risk — The risk that with declining interest rates, fixed income securities with stated interest rates may have the principal paid earlier than expected, requiring a portfolio to invest the proceeds at generally lower interest rates.

Private Placements Risk — Investment in privately placed securities may be less liquid than in publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by the portfolio or less than what may be considered the fair value of such securities. Furthermore, companies whose securities are not publicly traded may not be subject to the disclosure and other Client protection requirements which might be applicable if their securities were publicly traded.

Real Estate Industry Risk — Securities of companies principally engaged in the real estate industry may be subject to the risks associated with the direct ownership of real estate. Risks commonly associated with the direct ownership of real estate include fluctuations in the value of underlying properties, defaults by borrowers or tenants, changes in interest rates and risks related to general or local economic conditions. If a portfolio's investments are concentrated in issuers conducting business in the real estate industry, the portfolio may be subject to legislative or regulatory changes, adverse market conditions and/or increased competition affecting that industry.

REITs—REITs are trusts that invest primarily in commercial real estate or real estate-related loans. Investments in REITs are subject to the risks associated with the direct ownership of real estate which are discussed above. Some REITs may have limited

diversification and may be subject to risks inherent in financing a limited number of properties.

Rule 144A Securities Risk — Rule 144A securities may be less liquid than publicly traded securities, and a portfolio may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the price realized from these sales could be less than those originally paid by the portfolio. Further, companies whose securities are not publicly traded may not be subject to the disclosure and other Client protection requirements that would be applicable if their securities were publicly traded.

Securities Lending — To the extent that a portfolio lends its securities to certain financial institutions in an attempt to earn additional income, its investment performance will continue to reflect changes in the value of the securities loaned, and the portfolio will also receive a fee or interest on the collateral. Securities lending involves the risk of loss of rights in the collateral or delay in recovery of the collateral if the borrower fails to return the security loaned or becomes insolvent. A portfolio that lends its securities may pay lending fees to a party arranging the loan.

Short Sales Risk — Short sales expose the portfolio to the risk that it will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the portfolio. Reinvesting proceeds received from short selling may create leverage which can amplify the effects of market volatility on the price of the portfolio's investments. Investment in short sales may also cause the Fund to incur expenses related to borrowing securities.

Small and Medium Capitalization Risk — Small and medium capitalization companies may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, small and medium companies may have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small cap and medium cap stocks may be more volatile than those of larger companies. Small cap stocks may be traded over the counter or listed on an exchange.

Social Investment Criteria Risk — If a portfolio is subject to certain social investment criteria it may avoid purchasing certain securities for social reasons when it is otherwise economically advantageous to purchase those securities, or may sell certain securities for social reasons when it is otherwise economically advantageous to hold those securities. In general, the application of portfolio's social investment criteria may affect the portfolio's exposure to certain industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these industries or sectors are in or out of favor.

Taxation Risk — A portfolio that is managed to minimize tax consequences to Clients will likely still earn taxable income and gains from time to time. To the extent that an investment company seeks to obtain exposure to commodities markets through

commodity investments and derivative instruments, it will seek to restrict its income from commodity-linked derivative instruments that do not generate qualifying income, such as commodity-linked swaps, to a maximum of 10% of its gross income (when combined with its other investments that produce nonqualifying income) to comply with certain qualifying income tests necessary for the investment company to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. The tax treatment of certain commodity-linked derivative instruments may be affected by future regulatory or legislative changes that could affect the character, timing and/or amount of the investment company's taxable income or gains and distributions.

Tax Exempt Risk — In order to pay tax-exempt interest, tax-exempt securities must meet certain legal requirements. Failure to meet such requirements may cause the interest received and distributed by the portfolio to shareholders to be taxable. Changes or proposed changes in federal tax laws may cause the prices of tax-exempt securities to fall. The federal income tax treatment on payments with respect to certain derivative contracts is unclear. Consequently, a portfolio may receive payments that are treated as ordinary income for federal income tax purposes.

Tracking Error Risk — The risk that the performance of a portfolio designed to track an index may vary substantially from the performance of the benchmark index it tracks as a result of cash flows, portfolio expenses, imperfect correlation between the portfolio's and benchmark's investments and other factors.

Underlying Funds Risk — With respect to portfolios that invest in underlying funds, the risk that the value of a portfolio is based primarily on the performance of the underlying fund. Specifically with respect to alternative investment funds, the process of redeeming from an underlying fund may be both lengthy and costly due to the use of "lock-up" periods, gates, redemption fees and suspension of redemptions by the underlying funds. All of these factors will restrict or limit the portfolio's withdrawals under certain circumstances.

U.S. Government Securities Risk — Although U.S. Government securities are considered to be among the safest investments, they are not guaranteed against price movements due to changing interest rates. Obligations issued by some U.S. Government agencies are backed by the U.S. Treasury, while others are backed solely by the ability of the agency to borrow from the U.S. Treasury or by the agency's own resources.

Warrants Risk — Warrants are instruments that entitle the holder to buy an equity security at a specific price for a specific period of time. Warrants may be more speculative than other types of investments. The price of a warrant may be more volatile than the price of its underlying security, and a warrant may offer greater potential for capital appreciation as well as capital loss. A warrant ceases to have value if it is not exercised prior to its expiration date.

Item 9 -- Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SIMC or the integrity of SIMC's management. SIMC has no information applicable to this Item.

Item 10 -- Other Financial Industry Activities and Affiliations

SIMC, which is an indirect, wholly owned subsidiary of SEI Investments Company may hire affiliates and third parties to perform services for SIMC and its Clients. Some of these relationships could create conflicts of interest. These relationships are described below.

Hiring of Sub-Advisors

Because SIMC is a "manager of managers", it hires sub-advisors to provide day-to-day securities selection for its investment products. From time to time, SIMC may hire affiliated advisors to serve as sub-advisors to manage assets in the Funds and Managed Account Program. For example, SIMC's parent company, SEI Investments Company, maintains a minority ownership interest (approximately 42% as of December 31, 2010) in LSV Asset Management ("LSV"), which is a sub-advisor to some of SIMC's investment products. LSV is subject to the same evaluation and monitoring as other non-affiliated sub-advisors. Additionally, to the extent affiliated advisors are managing SEI Fund assets, such affiliated managers are subject to the same Board of Trustees approval process as non-affiliated sub-advisors and the affiliation is disclosed in the SEI Fund prospectuses.

SIMC may also hire sub-advisors for its investment products who may also be investment advisors/sub-advisors to other investment products offered by SIMC's affiliates and partners. Therefore, SIMC may have an incentive to recommend a firm for sub-advisory services for its investment products because they are also providing services to SIMC's affiliates and partners. To address this conflict, SIMC follows the same manager due diligence and selection on all sub-advisors regardless of whether they provide other services to SIMC's affiliates and partners.

Additionally, some of the sub-advisors that SIMC selects for its Funds may also be customers of other SEI products (e.g., technology) for which SIMC's affiliates may be compensated, which could influence SIMC's decisions when recommending or retaining sub-advisors. To mitigate any conflicts, SIMC follows the same manager due diligence and selection process on all sub-advisors regardless of whether they receive services from SIMC's affiliates. Also, any potential conflicts identified are raised to the Board of Trustees of the SEI Funds or SIMC Compliance prior to the sub-advisor being hired by SIMC.

Investment Products

SIMC not only provides investment management and advisory services to individuals and institutions, it also serves as the investment advisor to its investment products, including the SEI Funds (including subsidiaries of such Funds), SEI Alternative Funds, and collective investment funds. Additionally, SIMC is the sponsor to, and the advisor of, separately managed accounts, including the Managed Account Program and Distribution Focused

Strategies. SIMC may invest its Clients into these products. Therefore, the Client may pay SIMC investment advisory fees which are agreed to in the Client's investment advisory agreement, and pay SIMC investment advisory fees through the underlying investment products.

SEI Funds

Other affiliates of SIMC provide various services to the SEI Funds (including subsidiaries of such Funds), for which they may receive compensation. Specifically, SEI Investments Global Funds Services ("SGFS") serves as administrator, SEI Institutional Transfer Agent, Inc. ("SITA") serves as transfer agent, and SIDCO, serves as the distributor of the SEI Funds. SIMC, SGFS, SITA and SIDCO receive fees from the SEI Funds determined as a percentage of the SEI Fund's total assets. Therefore, to the extent that SIMC recommends that a Client invests in the SEI Funds, SIMC's affiliates may benefit from the investment in the SEI Funds. Because SIMC is advisor to both the fund-of-funds and the underlying SEI Funds and is a paid an advisory fee by both Funds, SIMC could select those underlying SEI Funds that pay higher advisory fees to SIMC. SIMC's investment processes and governance structure mitigates this risk to ensure that it does not factor in the level of fees in its decision in the allocation of underlying SEI Funds in the fund-of-funds.

Some SEI Funds are "funds-of-funds", meaning that an SEI Fund will invest in underlying SEI Funds. Because SIMC is advisor to both the fund-of-funds and the underlying SEI Funds and is a paid an advisory fee by both Funds, SIMC could select those underlying SEI Funds that pay higher advisory fees to SIMC. SIMC's investment processes and governance structure mitigates this risk to ensure that it does not factor in the level of fees in its decision in the allocation of underlying SEI Funds in the fund-of-funds.

A number of SEI Funds participate in securities lending. When an SEI Fund lends a security, it receives cash from the borrower. Currently, the SEI Funds reinvest that cash into a pooled vehicle managed by SIMC. This lending activity takes place within each participating SEI Fund portfolio and not in a Client's individual account. SIMC is paid fees for its management of the collateral investment pool and, consequently, may have an incentive to lend securities and/or use the collateral investment pool in order to generate more fees for SIMC. To mitigate this risk, SIMC's use of the collateral pool and the SEI Funds' lending activities are overseen by the SEI Funds' Board of Trustees.

SEI Alternative Funds

Affiliates of SIMC (SEI Funds, Inc. and SEI Investment Strategies, LLC) serve as the general partner to several of the SEI Alternative Funds.

Collective Trust Funds

SEI Trust Company ("STC"), a Pennsylvania chartered trust company, serves as trustee and investment manager to various collective trust funds in which SIMC may invest certain Client's assets (to the extent they are eligible).

Non-U.S. Investors

SIMC may also delegate some of its responsibilities to its other affiliates who are investment advisors registered in other jurisdictions. SIMC serves as investment advisor to proprietary Irish-regulated UCITS Funds, which are sold to non-US investors. SIMC also serves as sub-advisor to several proprietary Canadian-registered mutual funds to which SIMC's affiliates serve as advisor.

Affiliated Custodian

SIMC typically custodies Client accounts at SIMC's affiliate, SEI Private Trust Company, a limited purpose federal thrift institution. SPTC may charge the Client a fee for these services. SPTC may also provide trust, custody and/or record-keeping services to SIMC's Clients, including some of the Pooled Investment Vehicles. SPTC's services may be provided without additional Client charge or at a discount to Clients of SIMC. If a Client custodies assets at SPTC, SIMC may sweep the excess cash from that account into an SEI money market mutual fund, for which SIMC will earn additional fees, as an advisor to the SEI money market fund. Please see Item 5 for additional information on fees.

Affiliated Broker/Dealer

SIMC may execute brokerage transactions using its affiliated broker/dealer, SIDCO. SIDCO also receives shareholder service, administration service or distribution fees from the SEI Funds, portions of which may be repaid by SIDCO to affiliates or third parties that provide such services. See Item 4 and 12 for additional information on SIMC's use of broker/dealers, including SIDCO.

Item 11 -- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics and Personal Trading

When SIMC employees have access to nonpublic information, conflicts of interest may arise between a Client's and that employee's interest. For example, a SIMC employee could gain information on the purchase or sale of securities by any SIMC Client, or portfolio holdings information for a particular Client. The SIMC employee could use this information to take advantage of available investment opportunities, take an investment opportunity from a Client for the employee's own portfolio, or front-run (which occurs when an employee trades in his or her personal account before making Client transactions). As a fiduciary, SIMC employees must always place the interests of Clients first and foremost and shall not take inappropriate advantage of his or her position.

SIMC has adopted a Code of Ethics to reinforce to its employees SIMC's principles of integrity and ethics, and to enforce compliance with applicable regulations and best practices. As stated in the SIMC Code of Ethics, SIMC employees and their family members with whom they reside must disclose personal securities holdings and personal securities transactions. They are also subject to certain trade pre-clearance and reporting standards for their personal securities transactions. Additionally, certain SIMC employees may not purchase or sell, directly or indirectly, any "Covered Security" (which is defined in the

Code) within 24 hours before or after the time that the same Covered Security is being purchased or sold in any SIMC Client account. Some SIMC employees may not purchase or sell such securities within seven days of a transaction for a SIMC Client account. SIMC employees also may not profit from the purchase and sale or sale and purchase of a Covered Security within 60 days of acquiring or disposing of beneficial ownership of that Covered Security. Finally, SIMC employees may not acquire securities as part of an initial public offering or a private placement transaction without the prior consent of the SIMC Compliance Officer. The Code of Ethics also includes provisions relating to the confidentiality of Client information and market timing, and also incorporates SEI Investments Company's insider trading policy by reference. All supervised persons at SIMC are trained on the Code of Ethics and must acknowledge the terms of the Code of Ethics annually, or as amended.

SIMC does not restrict its employees from investing in the same securities that it recommends to its Clients. Because SIMC operates a manager-of-managers program, the risk of a SIMC employee taking advantage of portfolio holding and transaction information is mitigated. Furthermore, the transactions of SIMC employees are monitored on an ongoing basis and compared to the transactions effected by SIMC's investment products to ensure that the employee is not acting on material non-public information.

SIMC anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which SIMC has management authority to effect, and will recommend to investment advisory Clients or prospective Clients, the purchase or sale of securities in which SIMC, its affiliates and/or Clients, directly or indirectly, have a position of interest. SIMC's employees and persons associated with SIMC are required to follow SIMC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of SIMC and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for SIMC's Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of SIMC will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is monitored under the Code of Ethics, to reasonably prevent conflicts of interest between SIMC and its Clients.

Clients and prospects may request a copy of SIMC's Code of Ethics by e-mailing SIMCCompliance@seic.com or sending a request to: SEI Investments Management Corporation, Attn: Laura Smolenski, One Freedom Valley Drive, Oaks, PA 19456.

Participation or Interest in Client Transactions

SIMC may recommend to its Clients that they invest in Pooled Investment Vehicles to which SIMC also serves as investment advisor. For example, SIMC, as investment manager to a Client, may recommend that they invest in the SEI Funds, a separately managed account, or

an Alternative Fund, where SIMC also serves as investment advisor and may receive a fee for those services. Additionally, SIMC's affiliate may also serve as the general partner to the Pooled Investment Vehicle and may use its affiliates for services, for which such affiliates may receive a fee. This could create a conflict of interest whereby SIMC could recommend an unsuitable SEI investment product to a SIMC Client in order for SIMC and its affiliates to receive additional fees. SIMC discloses this conflict of interest in the offering documents for each Pooled Investment Vehicle. It may also be disclosed in the SIMC Client's investment management agreement with SIMC. To the extent that a particular investment is suitable for the Client accounts, such investments will be allocated to the individual Client accounts in a manner which SIMC determines is fair and equitable under the circumstances to all of its Clients.

SIMC and its affiliates may advise one Client or take actions for a Client, for itself, for its affiliates, or for their related persons that are different from the advice given or actions taken for other Clients. SIMC, its affiliates, and their related persons are not obligated to buy or sell for a Client any investment that they may buy, sell, or recommend for any other Client or for their own accounts. Persons associated with SIMC or its affiliates may themselves have investments in the SEI Funds.

It is SIMC's policy that the firm will not affect any principal securities transactions for Client accounts. Principal transactions are generally defined as transactions where SIMC, acting as principal for its own account or the account of an affiliate (i.e., SIDCO), buys from or sells any security to any advisory Client. In limited circumstances, SIMC may effect cross-transactions in which SIMC effects transactions between two of its managed Client accounts (i.e., arranging for the Clients' securities trades by "crossing" these trades when SIMC believes that such transactions are beneficial to its Clients). For all such transactions, SIDCO may be acting as a broker, and may receive any commission. The Client may revoke SIMC's cross-transaction authority at any time upon written notice to SIMC.

Item 12 -- Brokerage Practices

Broker Selection

SIMC has a duty to seek best execution of the transactions executed by SIMC for its Clients' accounts. Although commission rates are an important consideration in determining whether "best execution" is being obtained, they are not determinative, as many other factors also are relevant in determining whether SIMC has achieved the best result for Clients under the circumstances. As the SEC has observed, there is no precise definition for "best execution," since it is a facts and circumstances determination. SIMC may consider numerous factors in arranging for the purchase and sale of Clients' portfolio securities. These include any legal restrictions, such as those imposed under the securities laws and ERISA, and any Client-imposed restrictions. Within these constraints, SIMC shall employ or deal with members of securities exchanges and other brokers and dealers or banks as SIMC approves and that will, in the portfolio manager's judgment, provide "best execution" (i.e., prompt and reliable execution at the most favorable price obtainable under the prevailing

market conditions) for a particular transaction for the Client's account. SIMC periodically evaluates the quality of these brokerage services as provided by various firms.

In determining the abilities of a broker-dealer or bank to obtain best execution of portfolio transactions, SIMC will consider all relevant factors, including:

- The execution capabilities the transactions require;
- The ability and willingness of the broker-dealer or bank to facilitate the accounts' portfolio transactions by participating for its own account;
- The importance to the account of speed, efficiency, and confidentiality;
- The apparent familiarity of the broker-dealer or bank with sources from or to whom particular securities might be purchased or sold;
- The reputation and perceived soundness of the broker-dealer or bank; and
- Other matters relevant to the selection of a broker-dealer or bank for portfolio transactions for any account.

SIMC will not seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction or select any broker-dealer or bank on the basis of its purported or "posted" commission rate structure. Certain types of trades, such as most fixed income securities transactions, do not involve the payment of a commission.

SIMC's Use of SIDCO/Directed Brokerage

SIMC uses its affiliated broker/dealer, SIDCO, for various services for its Clients, which are described below. Other than trading in the SEI Funds, the Managed Account Program (unless agreed to otherwise by SIMC) or other accounts where SIMC has investment discretion, it is the Client's decision whether to execute a particular securities transaction using SIDCO. SIMC discloses the use of its affiliated broker/dealer in the investment management agreement that the Client signs with SIMC for services. Not all advisors require their clients to direct brokerage. By directing brokerage to SIDCO, SIMC may be unable to achieve most favorable execution of Client transactions and this practice may cost Clients more money.

SEI Funds and Managed Account Programs

SIMC executes trades through SIDCO for the SEI Funds and Managed Account Program, subject to the duty to obtain best execution and to applicable law. Generally, under these provisions, SIDCO is permitted to receive and retain compensation for effecting portfolio transactions if such compensation does not exceed "usual and customary" brokerage commissions.

SIMC's brokerage discretion practices are reviewed at least annually by the SEI Funds' Board of Trustees and in compliance with Section 17(e)(1) of the Investment Company Act of 1940, as amended.

SIMC's Managed Account Program (which is a "wrap program", meaning the Client pays one fee for investment advisory and brokerage services) is structured such that the equity managers in the program execute all trades in the Program using SIDCO. The Program's fixed income managers select and utilize brokers as required by their firm's own policies and procedures. SIDCO will receive and retain compensation for this trading activity. SIMC's internal governance structure oversees SIMC's use of SIDCO in the program to ensure that its use of SIDCO for the Program is suitable.

Manager Transitions

SIMC executes transactions through SIDCO in connection with portfolio transitions that accompany SIMC's changes in sub-advisors in the SEI Funds. SIDCO serves as an introducing broker-dealer for these transactions, which means that SIDCO will introduce the transaction to one or more clearing brokers. SIDCO and the applicable clearing brokers will receive and retain compensation (i.e., commissions) for executing such transactions. Since SIDCO earns fees in connection with these transactions and, therefore, SIMC may have an incentive to change sub-advisors more frequently than necessary in order for its affiliate to earn additional fees. This risk is mitigated by SIMC's robust manager due diligence process and oversight structure, and the fact that manager changes require approval by the Funds' Board of Trustees. Additionally, the use of SIDCO in manager transitions is overseen by the SEI Funds Board of Trustees.

Client Transitions

When Clients transition their assets to SIMC's Institutional Group for services, SIMC may use SIDCO to liquidate the Client's securities portfolio. SIMC may undertake such liquidations to make cash and/or in-kind securities investments in one or more of the SEI Funds. SIDCO serves as an introducing broker-dealer for these transactions, which means that SIDCO will introduce the transaction to one or more clearing brokers. SIDCO and the applicable clearing brokers will receive and retain compensation (i.e., commissions) for executing such transactions. Information regarding the relationship between SIMC and SIDCO are disclosed to the Client in the investment management agreement. In the case of clients subject to ERISA, SIMC's use of SIDCO for transition services will be in accordance with applicable guidance from the U.S. Department of Labor. In order to comply with applicable law, the Client is permitted to withdraw its consent to the use of SIDCO for Client transactions by sending a written termination notice to SIMC.

Commission Recapture Program

Sub-advisors to certain SEI Funds may execute a substantial portion of an SEI Fund's portfolio transactions through a commission recapture program (the "Recapture Program") that SIMC has arranged with SIDCO. SIMC requests, but does not require that certain sub-advisors execute a portion of an SEI Fund's portfolio transactions through the Recapture Program, provided that the sub-advisor determines that such trading is

consistent with its duty to seek best execution on SEI Fund portfolio transactions. Under the Recapture Program, SIDCO receives a commission, in its capacity as an introducing broker, on SEI Fund portfolio transactions. SIDCO then returns to the SEI Fund a portion of the commissions earned on the portfolio transactions, and such payments are used by the SEI Fund to pay fund operating expenses. As disclosed in the SEI Funds' prospectuses, SIMC in many cases voluntarily waives fees that it is entitled to receive for providing services to an SEI Fund and/or reimburses expenses of an SEI Fund in order to maintain the SEI Fund's total operating expenses at or below a specified level. In such cases, the portion of commissions SIDCO returns to an SEI Fund under the Recapture Program will generally be used to pay SEI Fund expenses that may be voluntarily waived or reimbursed by SIMC or its affiliates, thereby increasing the portion of the SEI Fund fees that SIMC and its affiliates are able to receive and retain. In cases where SIMC and its affiliates are not voluntarily waiving SEI Fund fees or reimbursing expenses, then a portion of commissions returned to an SEI Fund under the Recapture Program will directly decrease the overall amount of operating expenses of the SEI Fund borne by shareholders.

Soft Dollar Practices

SIMC does not participate in soft dollar arrangements and does not intend to cause an account to pay more in commissions in return for research products and/or services provided to SIMC. In the normal course of business, SIMC may receive proprietary research materials and technology from some full-service brokers who execute transactions for SIMC, but SIMC does not necessarily consider receipt of this information soft dollar arrangements.

Sub-advisors to the SEI Funds may engage in soft dollar transactions pursuant to the sub-advisors' own policies and procedures.

Client Referrals

SIMC does not consider, in selecting or recommending broker-dealers, whether SIMC or a related person receives client referrals from a broker dealer or third party and the conflicts this creates.

Directed Brokerage

In limited circumstances, a Client may direct SIMC to use a particular broker-dealer (subject to the SIMC's right to decline and/or terminate the engagement) to execute some or all transactions for the Client's account. In such event, the Client will negotiate terms and arrangements for the account with that broker-dealer, and the SIMC will not seek better execution services or prices from other broker-dealers or be able to "batch" the Client's transactions for execution through other broker-dealers with orders for other accounts managed by SIMC. As a result, Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Trade Aggregation

SIMC is permitted to aggregate or “batch” orders placed at the same time for the accounts of two or more Clients if it is in the best interests of its Clients. By batching trade orders, SIMC may obtain more favorable executions and net prices for the combined order, and ensure that no participating Client is favored over any other Client. Typically, SIMC will effect block orders for the purchase and sale for the same security for Client accounts to facilitate best execution and to reduce transaction costs. When an aggregated order is filled in its entirety, each participating Client account generally will receive the block price obtained on all such purchases or sales with respect to such order. The portfolio manager for each account must determine that the purchase or sale of the particular security involved is appropriate for the Client and consistent with the Client’s investment objectives and with any investment guidelines or restrictions applicable to the Client’s account. The portfolio manager for each account must reasonably believe that the block trading will benefit, and will facilitate best execution for each Client participating in the block order. This requires a reasonable good faith judgment at the time the order is placed for execution.

Item 13 -- Review of Accounts

The Banks are responsible for periodically reviewing End Investor accounts.

Item 14 -- Client Referrals and Other Compensation

The Banks may also be clients of SIMC’s affiliates for technology and other services and may receive other benefits from SEI and its affiliates for these services.

SIMC and its affiliates receive fees from the SEI Funds determined as a percentage of the SEI Fund’s total assets. Therefore, to the extent that SIMC recommends that a Client invest in the SEI Funds, SIMC and its affiliates may indirectly benefit from investment in the SEI Funds. Please see Items 4 and 12 for additional information.

SIMC’s investment solutions, including the SEI Funds, are offered to Banks for their use in providing advisory services to their clients. In connection with an Bank’s use of SEI’s investment solutions, SIMC and its affiliates may provide the Bank with a range of services and other benefits, which in some cases may include financial compensation, to help it conduct its business and serve its clients. These benefits and services, discussed below, may be made available to Banks at no fee or at a discounted fee, and the terms may vary among Banks depending on the business they and their clients conduct with SEI and other factors. These benefits and services may not necessarily benefit the Bank’s underlying clients.

SIMC may hold conferences, seminars and other educational and information activities for Banks about the SEI Funds and other investment products offered by SIMC or its affiliates. In limited circumstances, SIMC and its affiliates may reimburse Banks for reasonable travel expenses incurred when reviewing SEI’s business and practices. In addition, SIMC may

provide Banks with practice management services, which may include conferences, seminars and other educational and informational activities. Such events may be sponsored or provided by SIMC or other third parties. SIMC and its affiliates also offer Banks investment research to help them make well-informed investment decisions about their clients' accounts.

SIMC and its affiliates may assist Banks in marketing activities, including providing marketing toolkits and other forms of marketing materials that Banks may use or adapt for their purposes. SIMC may also co-sponsor events with Banks, or pay for joint marketing initiatives with Banks for clients and prospects, including, without limitation, seminars, conferences, appreciation events, direct market mailings and other marketing activities designed to further the promotion of SIMC's investment products. SIMC and its affiliates' arrangements for joint marketing initiatives may vary among Banks, and its payments or reimbursements to Banks in connection with joint marketing initiatives may be significant. All such marketing expenses are paid by SIMC or its affiliates out of its past profits or other available resources, and are not charged to SIMC's investment products, including the SEI Funds.

SIMC and its affiliates may provide Banks with technical solutions to help facilitate their integration with SEI's systems, and streamline their operations. Also, representatives of SIMC and its affiliates are available to provide administrative support to Banks. SIMC and its affiliates may assist Banks in joining SEI's program and in completing documentation to enroll Banks' clients to receive services, and this may include providing clerical staff to assist and, in some cases, paying account transfer fees or other charges that Banks or their clients may have to pay when changing custodians or service providers.

SIMC and its affiliates may agree to pricing for particular Banks' client accounts at SPTC based on, account size and/or the nature and scope of business the Bank does with SEI, including the current and future expected amount of the Bank's client assets in custody at SPTC and the types of SIMC investment products used by the Bank. SIMC and its affiliates may change this pricing and the services and other benefits provided if the nature or scope of the Bank's business changes or does not reach certain levels, in which case pricing for the Bank's client accounts may increase but will not exceed SIMC's and its affiliate's standard pricing for such products and services.

Many Banks are affiliated with broker-dealers. SIMC and its affiliates may pay compensation to broker-dealers or other financial institutions for services such as, without limitation, providing the SEI Funds with "shelf space" or a higher profile for the firm's associated Banks and their customers, placing the SEI Funds on the firm's preferred or recommended fund list, granting access to the firm's associated Banks, providing assistance in training and educating the firms' personnel, allowing sponsorship of seminars or information meetings and furnishing marketing support and other specified services. SIMC may also compensate the broker-dealer to support the broker-dealer's ability to provide administrative support services required when the broker-dealer's affiliated Advisors conduct business with their clients through the use of SEI's services. These payments may be based on average net assets of SEI Funds attributable to that broker-dealer, gross or net

sales of SEI Funds attributable to that broker-dealer, a negotiated lump sum payment or other appropriate compensation. For example, SIMC may pay either: (i) up to five (5) basis points on "Net Cash Flow"; and/or (ii) five (5) basis points multiplied by the broker-dealer's Advisors' clients total assets invested in SEI sponsored investments for the administrative services provided and to help offset the compliance service costs that the broker-dealer will be the subject of. Alternatively, SIMC may pay up to five (5) basis points multiplied by the broker-dealer's Advisors' clients total assets invested in SEI sponsored investments for the marketing and distribution services as well as administrative services provided and to help offset the compliance service costs that the broker-dealer will be the subject of. The terms of these arrangements with various broker-dealers will vary.

Payments may also be made by SIMC or its affiliates to financial institutions to compensate or reimburse them for administrative or other client services provided, such as sub-transfer agency services for shareholders or retirement plan participants, omnibus accounting or sub-accounting, participation in networking arrangements, account set-up, recordkeeping and other shareholder services. These fees may be used by the financial institutions to offset or reduce fees that would otherwise be paid directly to them by certain account holders, such as retirement plans. The foregoing payments may be in addition to any shareholder servicing fees paid to a financial institution in accordance with the SEI Funds' Shareholder Services Plan or Administrative Services Plan.

The benefits, services or payments discussed above may be significant to the financial institutions receiving them, and may create an incentive for the financial institutions or its representatives to recommend or offer shares of the SEI Funds or other investment products to its customers rather than other funds or investment products. These payments are made by SIMC and its affiliates out of their past profits or other available resources.

Although the Funds may use broker-dealers that sell SEI Fund shares to effect transactions for the Funds' portfolio, the Funds, SIMC and its sub-advisors will not consider the sale of Fund shares as a factor when choosing broker-dealers to effect those transactions and will not direct brokerage transactions to broker-dealers as compensation for the sales of SEI Fund shares.

SIMC may enter into solicitation arrangements with third parties who will receive an introduction solicitation fee from SIMC for introducing prospective Clients to SIMC, SEI investment products or to Institutions. Additionally, SIMC may compensate SEI employees who will receive a fee (determined based on the fee paid to SIMC by the Client) for introducing prospective Clients to SIMC, SEI investment products, SEI Advisor Network advisors or to Institutions. Where required by federal or state law, each solicitation arrangement will be governed by a written agreement between SIMC and the third party that complies with Rule 206(4) 3 of the Advisers Act. As required, Clients will be provided with copies of Part II of SIMC's Form ADV, separate disclosure of the nature of the solicitation or referral arrangement (including compensation features) applicable to the Client being referred, and any other document required to be provided under applicable state law.

Employees of SIMC may be registered representatives of SIDCO.

Item 15 -- Custody

SPTC, an affiliate of SIMC, generally serves as custodian for SIMC clients (with the exception of the SEI Funds and some of SEI's other Pooled Investment Vehicles). Additionally, certain Banks may choose to custody client assets at a custodian other than SPTC. SPTC will send periodic account statements directly to SIMC Clients that have assets custodied with SPTC. Additionally, SPTC may provide SIMC clients with other reporting services, including quarterly performance reports and year-end tax reports. SPTC may charge a fee for its services. SIMC Clients whose assets are custodied with SPTC are encouraged carefully review the account statements they receive from SPTC. In addition, SIMC Clients are urged to compare any statements received from SIMC to the statements received from SPTC (or other third-party custodian). Comparing statements will allow Clients to determine whether account transactions, including deductions to pay advisory fees, are proper.

Item 16 -- Investment Discretion

SIMC usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of assets to be managed by SIMC. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

SIMC maintains discretionary authority (1) as investment advisor to the SEI Funds, (2) to determine the re-balancing allocation of a Client's assets among the individual SEI Funds or other pooled investment vehicles (no commissions are incurred on these transactions), (3) in certain circumstances, to dispose of a Client's securities in order to raise cash to purchase SEI Funds, liquidate the account or invest in other pooled investment vehicles, (4) for the Managed Account Programs, Integrated Managed Account Programs and Distribution Focuses Strategies. Please see Item 4 for additional information on the limited discretion SIMC has on End Investor accounts invested in these products and the reasonable restrictions End Investors may place on some of these products. SIMC does not have discretionary authority over Client accounts invested in SEI Funds or the SEI Asset Allocation Program; discretionary authority for these accounts resides with the Bank.

Item 17 -- Voting Client Securities

SIMC has hired a third party proxy voting service (the "Service"), which votes all proxies with respect to applicable SIMC Clients in accordance with approved guidelines (the "Guidelines"). SIMC also has a proxy voting committee (the "Committee"), comprised of SIMC employees, which approves the proxy voting guidelines or approves how SIMC should vote in certain cases.

SIMC believes that by using the third party service to vote all proxies in accordance with pre-approved Guidelines, it significantly reduces the chance that SIMC's proxy votes will be influenced by a conflict of interest. The Service makes available to SIMC, prior to voting on

a proxy, its recommendation on how to vote with respect to such proxy in light of SIMC's adopted Guidelines. SIMC retains the authority to overrule the Service's recommendation, and instruct the Service to vote in a manner at variance with the Service's recommendation. The exercise of such right could implicate a conflict of interest. As a result, SIMC may not overrule the Service's recommendation with respect to a proxy unless the following steps are taken:

- a. The Committee will meet to consider the proposal to overrule the Service's recommendation.
- b. The Committee must determine whether SIMC has a conflict of interest with respect to the issuer that is the subject of the proxy. If the Committee determines that SIMC has a conflict of interest, the Committee then determines whether the conflict is "material" to any specific proposal included within the proxy. If not, then SIMC can vote the proxy as determined by the Committee.
- c. For any proposal where the Committee determines that SIMC has a material conflict of interest, SIMC may vote a proxy regarding that proposal in any of the following manners:
 1. Obtain Client Consent or Direction – If the Committee approves the proposal to overrule the recommendation of the Service, SIMC will fully disclose to each Client holding the security at issue the nature of the conflict, and obtain the Client's consent to how SIMC will vote on the proposal (or otherwise obtain instructions from the Client as to how the proxy on the proposal should be voted).
 2. Use Recommendation of the Service – Vote in accordance with the Service's recommendation.
- d. For any proposal where the Committee determines that SIMC does not have a material conflict of interest, the Committee may overrule the Service's recommendation if the Committee reasonably determines that doing so is in the best interests of SIMC's Clients. If the Committee decides to overrule the Service's recommendation, the Committee will maintain a written record setting forth the basis of the Committee's decision.

In some cases, the Committee may determine that it is in the best interests of SIMC's Clients to abstain from voting certain proxies. SIMC will abstain from voting in the event any of the following conditions are met with regard to a proxy proposal:

- Neither the Guidelines nor specific Client instructions cover an issue;
- The Service does not make a recommendation on the issue;
- In circumstances where, in SIMC's judgment, the costs of voting the proxy exceed the expected benefits to Clients; or

- The Committee cannot convene on the proxy proposal at issue to make a determination as to what would be in the Client's best interest. This could happen, for example, if the Committee found that there was a material conflict or if despite all best efforts the Committee is unable to meet the requirements necessary to make a determination.

In addition, it is SIMC's policy not to vote proxies for securities that are on loan in connection in securities lending activities. SIMC believes that the additional income derived by Clients from such activities generally outweighs the potential economic benefit of recalling securities for the purpose of voting. Therefore, SIMC generally will not recall securities on loan for the sole purpose of voting proxies. Further, in accordance with local law or business practices, many foreign companies prevent the sales of shares that have been voted for a certain period beginning prior to the shareholder meeting and ending on the day following the meeting ("share blocking"). Depending on the country in which a company is domiciled, the blocking period may begin a stated number of days prior to the meeting (e.g., one, three or five days) or on a date established by the company. While practices vary, in many countries the block period can be continued for a longer period if the shareholder meeting is adjourned and postponed to a later date. Similarly, practices vary widely as to the ability of a shareholder to have the "block" restriction lifted early (e.g., in some countries shares generally can be "unblocked" up to two days prior to the meeting whereas in other countries the removal of the block appears to be discretionary with the issuer's transfer agent). SIMC believes that the disadvantage of being unable to sell the stock regardless of changing conditions generally outweighs the advantages of voting at the shareholder meeting for routine items. Accordingly, SIMC generally will not vote those proxies subject to "share blocking."

Clients retain the responsibility for receiving and voting mutual fund proxies for any and all mutual funds maintained in Client portfolios.

Client Directed Votes. SIMC Clients who have delegated voting responsibility to SIMC with respect to their account may from time to time contact their client representative if they would like to direct SIMC to vote in a particular solicitation. SIMC will use its commercially reasonable efforts to vote according to the client's request in these circumstances, and cannot provide assurances that such voting requests will be implemented. SIMC has adopted policies and procedures designed to prevent conflicts of interests from influencing proxy voting decisions that it makes on behalf of advisory clients and to help ensure that such decisions are made in accordance with SIMC's fiduciary obligations to its clients. These policies and procedures include SIMC's use of proxy voting guidelines, recommendations from its third-party proxy voting service, and the use of a proxy voting committee in certain circumstances. Notwithstanding such policies and procedures, actual proxy voting decisions of SIMC may have the effect of favoring the interests of other clients or businesses of SIMC and/or its affiliates, provided that SIMC believes such voting decisions to be in accordance with its fiduciary obligations.

Clients may obtain a copy of SIMC's complete proxy voting policies and procedures upon request. Clients may also obtain information from SIMC about how SIMC voted any proxies

on behalf of their account(s) by either referring to Form N-PX (for SEI Funds) or by contacting your SEI client representative.

Certain SIMC clients have either retained the ability to vote proxies with respect to their account, or have delegated that proxy voting authority to a third party selected by the Client. In those circumstances, SIMC is not responsible for voting proxies in the account or for overseeing the voting of such proxies by the Client or its designated agent.

With respect to those Clients for which SIMC does not conduct proxy voting, clients should work with their custodians to ensure they receive their proxies and other solicitations for securities held in their account. Clients may contact their SEI client service representative if they have a question on particular proxy voting matters or solicitations.

Item 18 -- Financial Information

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about SIMC's financial condition. SIMC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.