

MANAGED ACCOUNT IMPLEMENTATION WRAP BROCHURE

SEI Investments Management Corporation

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This wrap fee program 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 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 Wrap Brochure for clarification purposes, we have not made any material changes to the Wrap Brochure since the last time it was filed with the SEC on March 31, 2011.

Currently, our Wrap 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.advisorinfo.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 -- Services, Fees and Compensation

SIMC's SEI Advisor Network provides independent financial intermediaries, such as registered investment advisors, financial planning firms, broker/dealers and banks and other financial institutions ("Financial Professionals") with turnkey wealth management services through outsourced investment strategies; administration and technology platforms; trust, banking, and institutional services; and practice management programs. It is through these services that SEI Advisor Network helps advisors save time, grow revenues, and differentiate themselves in the market. With a history of financial strength, stability, and transparency, the SEI Advisor Network has been serving the independent financial advisor market for more than 16 years and has approximately 4,900 advisors that work with SEI. In addition to the integrated platform of services, SEI Advisor Network also provides Clients with access to SIMC's investment products, including the SEI Managed Account Program.

SEI Managed Account Program

The SEI 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 SEI Managed Account Program is offered by SIMC through Financial Professionals to promote one or more of SEI's investment management strategies to their clients. Under this program, SIMC acts as the sole investment advisor to the Client and the Financial Professional receives on-going fees from SIMC for introducing the Client to the program and providing on-going Client administration support. The program may be implemented through either the "SEI Mutual Fund Implementation" or the "SEI Managed Account Implementation". Each of these implementations of the SEI Managed Account Program is described in detail following this program summary.

The Financial Professionals offering the SEI Managed Account Program are typically SEC or state registered investment advisors, financial planning firms, broker/dealers, banks and other financial institutions with on-going relationships with the Clients. SIMC engages the Financial Professionals to (i) provide solicitation, marketing and client administrative services with respect to the SEI Managed Account Program, and (ii) promote the program to the Financial Professional's representatives in order to introduce the program to the representatives' clients which may benefit from the investment services available from SIMC and its affiliates. Clients may include, but are not limited to, a Financial Professional's high net worth and other retail investors.

In the SEI Managed Account Program, SIMC may recommend that a Client allocate all or a portion of its assets to the SEI Mutual Fund Implementation or SEI Managed Account Implementation. The Managed Account Implementation is described below. SIMC is responsible for managing assets which the Client has instructed be invested in accordance with the Client's investment objectives and risk profile, as determined through Client's completion of SEI's "Risk Tolerance Questionnaire" and SEI's proprietary proposal tool and the provision of other required information in the Client's account application. Based on this information, SIMC will recommend strategies for the Client's account. SIMC manages

Managed Account Program assets (i.e., “wrap fee accounts”) in the same manner that it manages non-wrap fee separate accounts with the same investment strategy or mandate. Participating in the Managed Account Program may cost the Client more or less than if the Client 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.

SIMC develops various Managed Account Program strategies, each of which seeks to achieve particular investment goals. These Managed Account Program 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 Managed Account Program strategy that is consistent with the Client’s investment goals and objectives. However, Clients may at any time impose reasonable restrictions on the management of Client’s accounts. SIMC receives the fees described in Item 5 of this Brochure for these services.

Within this program, the Financial Professional serves as a Client’s limited agent to provide instructions to SIMC concerning the Client’s investment account (but does not manage the Client’s assets invested in the program) and acts as the primary contact between SIMC and the Client. In this role, the Financial Professional is responsible for providing the Client with all required SIMC investment program materials, SEI account opening paperwork (including a Risk Tolerance Questionnaire), assisting the Client in completing such paperwork and submitting that information to SIMC. Upon SIMC’s request, the Financial Professional must verify to SIMC (at least annually) that it has met with and reviewed the Client’s financial and other information and confirmed all such information remains accurate or has promptly provided changes to such information to SIMC to assist SIMC in fulfilling its Client responsibilities. In assisting SEI in administering the program, the Financial Professional uses tools made available by SIMC, including SEI’s proprietary proposal tool, to assist the Client in the Client’s selection of an appropriate investment strategy.

SEI Managed Account Implementation

(a) Program Summary

For most strategies offered in the Managed Account Implementation, SIMC hires third party sub-advisors (also referred to as “managers”) to manage individual portfolios of stocks and bonds based on a specific investment strategy developed by SIMC. Please see Item 6 for additional information on SIMC’s manager selection process. SIMC may change these sub-advisors in the Managed Account Implementation in its sole discretion with written notice to the Client. With respect to certain strategies, SIMC may manage securities directly, rather than delegating to a sub-advisor (e.g., certain fixed income strategies; see “*SEI Fixed Income Portfolio Management*” section for additional information). Once the Client has selected an individual manager implementation strategy, SIMC will manage the Client’s assets allocated to the strategy on a discretionary basis within the Client’s selected strategy. SIMC may also recommend mutual funds for a Client’s portfolio (generally due to investment minimums), including the SEI Funds, for which SIMC also serves as investment

manager.

SIMC will recommend the specific strategies for the Client's account using the information gathered about the Client on the Client's account paperwork, a completed Risk Tolerance Questionnaire, and the use of SEI's proprietary proposal tool. SIMC may not invest the Client's assets in any other available strategy without the Client first completing all SEI-required paperwork, including a new Risk Tolerance Questionnaire (or similar suitability-related supplemental information), and thereafter instructing SIMC to manage assets in accordance with any appropriate individual manager implementation strategy thereafter selected by the Client. SIMC develops various Managed Account Implementation models, each of which seeks to achieve particular investment goals. These Managed Account Implementation 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 Managed Account Implementation model that is consistent with the Client's investment goals and objectives. SIMC manages Managed Account Implementation models (i.e., "wrap fee accounts") in the same manner that it manages non-wrap fee separate accounts with the same investment strategy or mandate. However, Clients may at any time impose reasonable restrictions on the management of Client's accounts. Participation in the Managed Account Implementation Program may cost the Client more or less than if the Client paid separately for investment advice, brokerage, and other services. SIMC may receive a portion of the wrap fee for its services. In addition, the fees may be higher or lower than that charged by other sponsors of comparable wrap fee programs.

SIMC discloses its investment management fees to the Client at or prior to the time of the initial investment. Each Fee is a percentage of the market value of the Client's Account invested in the selected strategy calculated daily and paid quarterly net of any income, withholding or other taxes. A Client's investment management fees will increase or decrease to the extent the Client instructs SIMC to invest into a different strategy and provides SIMC with all necessary information. In the SEI Managed Account Implementation, Clients pay a fee to SIMC for its advisory services, the trade execution provided by SIMC's affiliate SEI Investments Distribution Co., and the advisory services of portfolio managers (the "Investment Management Fees"). The Investment Management Fee does not cover charges resulting from trades effected with or through broker-dealers other than SEI Investments Distribution Co., SIMC's affiliated registered broker/dealer (member of FINRA, "SIDCO") or its affiliates or agents, or mark-ups or markdowns by these other broker-dealers. The Investment Management Fee also does 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 Client's Account. If the Client's strategy contains SEI Funds, SIMC will offset the Investment Management Fee in an amount equal to the expense ratio of the SEI mutual funds.

The Financial Professional's Servicing Fee (defined in Item 5) is calculated quarterly based on the end of quarter's asset balance. SPTC deducts the fees directly from the Client's accounts.

Participation in the Managed Account Implementation may cost the Client more or less

than if the Client paid separately for investment advice, brokerage, and other services. SIMC may receive a portion of the wrap fee for its services. In addition, the Investment Fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs. The Financial Professional recommending the Managed Account Implementation to Clients receives compensation as a result of a Client's participation in the Managed Account Implementation. The amount of this compensation may be more than what the Financial Professional would receive if the Client participated in other programs of SIMC or other sponsors or paid separately for investment advice and other services. Therefore, the Financial Professional may have a financial incentive to recommend the Managed Account Implementation over other programs or services.

Information regarding the SEI Funds can be found in the Fund's prospectus, which should be read carefully by all Clients before investing. The Fund's prospectus will be provided to all Clients by the Financial Professional.

SEI Fixed Income Portfolio Management

SEI Fixed Income Portfolio Management ("SFIPM") is a unit within SIMC that provides fixed income separate accounts directly, rather than through the use of sub-advisors. SFIPM manages taxable and tax-exempt fixed income investment portfolios of various maturities, including short-term cash management, laddered bond, municipal bond and Treasury or Government portfolios as well as portfolios of insured certificates of deposit. SFIPM portfolios are available through the Managed Account Implementation.

(b) 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 9 for additional information.

Tax Management Feature

Additionally, Clients may elect to add a tax overlay strategy to a SEI Managed Account Implementation. By selecting this overlay feature, SIMC will appoint a tax overlay manager for the equity portion of the Client's selected strategy. The various equity portfolio managers for the Client's strategy provide information to the overlay manager indicating securities to buy and sell. The overlay manager 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 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 Managed Account Implementation clients receiving prices that are less favorable than the prices obtained by the overlay manager for its proprietary or other discretionary client accounts.

Program Fees

In the SEI Managed Account Implementation, clients pay an investment management fee to SIMC for its advisory services, the trade execution provided by SIMC's affiliate SIDCO (see Item 4 for additional information), and the advisory services of portfolio managers (the "Investment Management Fee"). The Investment Management Fee is a percentage of the market value of the Client's account invested in the portfolio strategy calculated daily and paid quarterly in arrears net of any income, withholding or other taxes. SPTC will deduct the fees directly from the Client's custody account.

The Managed Account Implementation 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 Client's account. Please refer to Item 4 for additional information on SIDCO.

Clients may also pay custody fees to SPTC when their assets are custodied at SPTC. These fees will vary depending on the account balance and trade activity in the account. Clients can refer to their account application for specific information on SPTC custody fees.

SIMC's maximum Investment Management Fee schedule for the SEI Managed Account Implementation 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
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SIMC will charge a tax overlay fee to the Client's account when the Client selects this tax management integration feature. These additional fees only apply to the equity portion of a Client's account that is allocated to the integrated equities portfolio; the fees do not apply to the fixed income or mutual funds portion of the Client's account (if applicable). A selection of Clients may receive a fee discount. SIMC pays a portion of this fee to the portfolio manager acting as the account's integration manager. Please note that certain portfolio managers may not be available for accounts using this feature.

The Client account application contains information regarding account minimums for the program.

To the extent a Client's SEI Managed Account Implementation assets are invested in SEI Funds(e.g., they cannot meet the account minimum requirements), SIMC and its affiliates will earn fund-level fees on those assets, as set forth in the applicable fund's prospectus, but SIMC will waive its fee set forth above on SEI Managed Account Implementation assets invested in any SEI Fund.

Participation in the SEI Managed Account Implementation may cost the Client more or less than if the Client paid separately for investment advice and other services, depending on, for example, whether SIMC or another firm served as investment advisor to the Client. SIMC may receive a portion of the wrap fee for its services. In addition, the total fees for participating in the SEI Managed Account Implementation 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.

The Client's Financial Professional receives compensation as a result of a Client's participation in the Managed Account Implementation. For soliciting the Client for participation in the Fund Implementation and providing on-going account administration services, the Client will pay the Financial Professional a solicitation and services fee payable from the Client's Account assets. This fee (the "Servicing Fee") will be established between the Client and the Financial Professional in the Client's account application and the Client will consent to the payment of the Servicing Fee therein. The Servicing Fee will not exceed 1.35% of the account's value on an annual basis. This Servicing Fee will be calculated quarterly on the Client's Account balance and payable quarterly in arrears net of any income, withholding or other taxes. The Servicing Fee is separate from and in addition to SIMC's Investment Management Fee described above. The Servicing Fee and Investment Management Fee will be deducted directly from the Client's account by SPTC. The amount of this compensation may be more than what the Financial Professional would receive if the Client participated in other programs of SIMC or other sponsors or paid separately for investment advice and other services. Therefore, the Financial Professional may have a

financial incentive to recommend the SEI Managed Account Implementation over other programs or services. The Client will receive and sign a disclosure statement describing this arrangement at the time of the Client's referral to SIMC for services so that the Client understands the Financial Professional's conflict.

In addition to the Servicing Fee, SIMC will pay the Financial Professional's broker/dealer out of its own resources an additional fee of up to five (5) basis points of the Client's Account balance, calculated daily and paid quarterly in arrears, for the Financial Professional's solicitation and administrative service. As these fees are paid solely out of SIMC's own resources, these fees will not increase the Client's Investment Management Fee, Service Fee or any other fees or expenses payable by the Client. Because SIMC will pay the broker/dealer these fees, the Financial Professional may be incented to refer Clients to SIMC for services solely for receipt of these fees. The Financial Professional will disclose its relationship with SIMC in a disclosure statement provided to the Client when the Client is referred to SIMC, as required under applicable law.

Clients may also be charged separate fees for the custody and reporting services provided by SIMC's affiliate, SEI Private Trust Company, who will custody the Client's assets.

The Investment Management Fee does 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 Investment Management Fee also does 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 Client's Account. Please refer to Item 4 for additional information on SIDCO.

SEI Funds

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 SEI 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. Additionally, 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. 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.

Additional Compensation

SIMC's investment solutions, including the SEI Funds, are offered to third-party registered investment advisors, financial planning firms, broker/dealers and trust companies (each an "Independent Advisor") for their use in providing advisory services to their clients. In connection with an Independent Advisor's use of SEI's investment solutions, SIMC and its affiliates may provide the Independent Advisor 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 Independent Advisors at no fee or at a discounted fee, and the terms may vary among Independent Advisors depending on the business they and their clients conduct with SEI and other factors. These benefits and services may not necessarily benefit the Independent Advisor's underlying clients.

SIMC may hold conferences, seminars and other educational and information activities for Independent Advisors about the SEI Funds and other investment products offered by SIMC or its affiliates. In limited circumstances, SIMC and its affiliates may reimburse Independent Advisors for reasonable travel expenses incurred when reviewing SEI's business and practices. In addition, SIMC may provide Independent Advisors 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 Independent Advisors investment research to help them make well-informed investment decisions about their clients' accounts.

SIMC and its affiliates may assist Independent Advisors in marketing activities, including providing marketing toolkits and other forms of marketing materials that Independent Advisors may use or adapt for their purposes. SIMC may also co-sponsor events with Independent Advisors, or pay for joint marketing initiatives with Independent Advisors 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 Independent Advisors, and its payments or reimbursements to Independent Advisors 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 Independent Advisors 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 Independent Advisors. SIMC and its affiliates may assist Independent Advisors in joining SEI's program and in completing documentation to enroll Independent Advisors' 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 Independent Advisors or their clients may have to pay when changing custodians or service providers.

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

pricing for the Independent Advisor's client accounts may increase but will not exceed SIMC's and its affiliate's standard pricing for such products and services.

Many Independent Advisors 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 Independent Advisors and their customers, placing the SEI Funds on the firm's preferred or recommended fund list, granting access to the firm's associated Independent Advisors, 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 Advisor Network 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 introducing arrangements with SEI employees or third parties who will receive an introduction 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 (a portion of 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 introducing arrangement will be governed by a written agreement between SIMC and the third party that complies with Rule 206(4)-3 of the Investment Advisers Act of 1940. As required, Clients will be provided with copies of SIMC's Form ADV, separate disclosure of the nature of the introducing 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 SIMC's affiliate, SIDCO.

Item 5 -- Account Requirements and Types of Clients

Account Requirements

SIMC may impose minimum account balances which will vary (typically between \$50,000-\$250,000) depending upon the managers selected in the Managed Account Implementation and whether the Client selects the tax overlay feature.

Types of Clients

SIMC offers advisory services to individual investors and independent financial intermediaries such as registered investment advisors, financial planning firms, broker/dealers, banks and other financial institutions (each, a "Client" and together, the "Clients"). SIMC is also investment advisor to various types of institutional or 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, trusts, corporations and high net worth individuals (each, also referred to as a "Client" and together, as 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"). In addition, SIMC sponsors and may serve as advisor to, separately managed account programs.

Item 6 -- Portfolio Manager Selection and Evaluation

A. Portfolio Manager Selection and Evaluation

SIMC uses sub-advisers (both non-affiliated and affiliated firms) to select individual securities for Client accounts in the Program. The sub-advisers are selected based on SIMC's manager selection process.

We seek to identify, classify and validate manager skill. Differentiating manager skill from market-generated returns is one of our primary objectives, as we seek to identify managers that can deliver consistent results. We develop forward-looking expectations regarding how a manager will execute a given investment assignment, environments in which the related investment strategy should outperform, and environments in which the strategy might underperform.

The investment manager evaluation and selection process focuses on the drivers of an investment manager's returns (alpha sources) rather than the return itself. In addition, our analysis seeks to identify each manager's competitive advantage—and characteristics of that advantage that can then be monitored on an ongoing basis.

At the individual manager level, each investment manager is subjected to a rigorous assessment of how it performs in isolation and the contribution it makes toward both risk and return at the portfolio level. Our quantitative and qualitative due diligence is centered on the question: What is it that gives some investment managers the ability to beat the market? This feature is a reflection of the specific alpha sources the manager uses and the style in which they are implemented. By specifically identifying a competitive advantage we also establish specific re-evaluation triggers related to that advantage. This gives us a more proactive sell discipline, as a manager can be removed from a fund when the manager's competitive advantage goes away (such as through staff departures) rather than waiting for poor performance prior to removal.

Quantitative Analysis

Our quantitative analysis focuses on a range of statistical factors, including but not limited to:

RISK

Factors such as overall absolute and relative volatility and upside/downside capture ratios help us to determine whether or not the risk an investment manager is taking is in proportion to the returns being generated.

PERFORMANCE ATTRIBUTION ANALYSIS

Our goal is to determine the source(s) of the manager's returns relative to a given benchmark. We ask the following questions: What are the factors behind a manager's success? Is it duration and yield management? Is it based on allocation to a particular sector or country? Is the strategy sustainable? Our assessment considers data points and trends that may include static and/ or tactical beta exposures, factor rotation,

strategic weightings and long or short volatility exposures. We also focus on analyzing the manager's implementation process to determine its sustainability and repeatability.

QUALITATIVE ANALYSIS

Once the quantitative analysis is complete, it is used as a basis for qualitative analysis. At this juncture, our efforts are focused on assessing the quality of the investment manager's personnel, the firm's stability, the efficacy of its investment process and the effectiveness of its trading processes. Because a significant amount of analysis has already been conducted at this stage, our analysts are able to ask direct questions and check answers against the initial evaluation. The goal of this effort is to make sure that an investment manager has the right people and resources in place for its particular strategy. Our qualitative analysis efforts center around three primary factors:

- **Philosophy** – We want to understand the premise upon which an investment manager makes decisions. What is it that each manager views as its competitive advantage? Is it bottom-up stock selection or top-down macroeconomic analysis, or a combination of both? Does the manager consider valuation or momentum? What is the manager's risk tolerance?
- **Process** – Each investment manager employs a proprietary investment process. We want to understand how potential investment ideas are developed, explored, and adopted or discarded. We ask the following questions: Does the manager rely on model-driven quantitative analysis, fundamental security selection, or a combination of both? What is the manager's view toward factors such as the number of holdings in a portfolio, size of positions held and portfolio turnover?
- **We also ask:** What are the buy and sell triggers? How does the manager take risk into consideration and what checks and balances are in place to take those risks into account? Does the manager have the operational infrastructure in place to execute the process effectively? What inefficiency is being exploited? What informational advantage does the manager have? What is it that sets a manager apart from its competitors?
- **People** – People are responsible for designing and implementing the firm's philosophy and process. With this in mind, SEI hires teams—not firms. We are looking for successful investors and want to know who those people are, how they operate, and what impact it would have if they left the firm. To this end, we consider background, tenure, compensation structure and other factors that help us determine an investment team's stability and commitment level.

From time to time, SIMC may hire affiliated advisors to serve as sub-advisors to manage assets in the MAP Program. Please see Item 9 - Other Financial Industry Activities and Affiliations.

SEI Fixed Income Portfolio Management as Portfolio Manager

SIMC serves as sponsor of, and advisor to, the SEI Fixed Income Portfolio Management ("SFIPM") accounts, and the Managed Account Program. SFIPM, as a unit of SIMC, is not subject to the same selection and review process as other third party managers in the Managed Account Program (as described in the section entitled "SIMC's Overall Investment Philosophy). SIMC discloses to Clients in this Appendix 1 and in its Brochure that SIMC serves as a manager for these types of accounts. Clients may have the option to use SEI Funds or to hire a third party manager to manage these types of assets if they do not wish to have SIMC's SFIPM team manage their assets.

B. Performance

SIMC's sub-advisors provide performance calculations for their investment mandate to SIMC on a periodic basis. Neither SIMC nor a third party reviews these performance calculations for accuracy. Also, the performance information may not be calculated on a uniform or consistent basis among managers.

C. 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.

Please see Item 4 for a description of the Managed Account Program.

SIMC's Use of SIDCO/Directed Brokerage

SIMC uses its affiliated broker/dealer, SIDCO, for various services for its Clients, including certain trading in the Managed Account Implementation. 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.

SIMC executes trades through SIDCO for the Managed Account Program and separately managed accounts subject to the duty to obtain best execution and to applicable law. SIMC's Managed Account Implementation (which are "wrap programs", 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.

D. Performance Based Fees and Side-By-Side Management

SIMC does not charge any performance-based fees in the Program.

E. Method 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 products, 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, municipal 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 strategy's 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.

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, will typically 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.

G. 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 7 -- Client Information Provided to Portfolio Managers

SIMC and the Independent Advisor collect various information about the Client prior to opening an Account including, without limitation: Client name, type of Account, social security number, pre-tax income, estimated net worth, investment objective, investment strategy, investment restrictions and a completed risk tolerance questionnaire. SIMC also sends to the sub-advisors certain information regarding the Client including, but not limited to: Client account number, account name, whether the Account is taxable or non-taxable, investment guidelines and restrictions and, for fixed income strategies, state of residence and social security numbers. SIMC will send updates to the sub-advisors regarding this information on an as-needed basis.

Item 8 -- Client Contact with Portfolio Managers

Client may contact SIMC or sub-advisors responsible for their account directly, but are encouraged to contact their Independent Advisor first.

Item 9 -- Additional Information

A. 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.

B. 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, 2011) 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 and the affiliation is disclosed in the SEI Fund prospectuses. 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 managers 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 process on all sub-advisors regardless of whether they provide or receive other services from 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 to 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 indirectly benefit from the investment in the SEI 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 funds-of-funds and the underlying SEI Funds and is 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 4 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 6 for additional information on SIMC's use of broker/dealers, including SIDCO.

C. 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 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 may effect 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.

D. Client Referrals and Other Compensation

SIMC may enter into solicitation arrangements with third parties who will receive an introduction solicitation fee from SIMC for introducing prospective Clients to the SIMC. 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. 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 Investment Advisers Act of 1940. As required, Clients will be provided with copies 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.

E. 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.