

Independent Advisor Solutions by SEI  
SEI Investments Management Corporation

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

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

Additional information about SIMC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 - Material Changes

We have not made any material changes to this Brochure since its last annual amendment filed on March 31, 2023. This March 30, 2024 annual amendment includes updates made within Item 4 (Strategist Program), Item 5 (fees), Item 8 (Material Risks) and Item 14(technology).

Currently, our Brochure may be requested by contacting the SIMC Compliance Team at 610-676-3482 or [SIMCCompliance@seic.com](mailto:SIMCCompliance@seic.com).

Additional information about SIMC is also available via the SEC's web site [www.advisorinfo.sec.gov](http://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 - 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 (“SEIC”), 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 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. SIMC also serves as the investment advisor to a number of pooled investment vehicles, including mutual funds, managed etfs, exchanged traded funds, hedge funds, private equity funds, alternative funds, collective investment trusts and offshore investment funds (together, the “Pooled Investment Vehicles”). Additionally, SIMC serves as the sponsor of, and advisor to, managed accounts.

SIMC’s total assets under management as of December 31, 2023 were \$194,796,322,013, \$184,547,097,211 of which it manages on a discretionary basis and \$7,249,224,802 on a non-discretionary basis.

### Independent Advisor Solutions by SEI

Independent Advisor Solutions by SEI (“IAS”), a core business unit of SEI Investments Company (NASDAQ:SEIC), provides investment management and investment processing platforms to affluent investors through a network of independent registered investment advisors, financial planners, and other investment professionals (“Independent Advisors”) in the United States. In addition to the integrated platform of services, IAS also provides Independent Advisors with access to SIMC’s investment products and managed account program for use with their end clients (each, a “Client” and together, the “Clients”)

As further described in this section, Independent Advisors serve as investment advisor to their Clients, act as the sole contact and are responsible for analyzing each of their Client’s current financial situation, return expectations, risk tolerance, time horizon and asset class preference. The Independent Advisor is also responsible for meeting with Clients at least annually to determine any material changes to the Client’s financial circumstances or investment objectives that may affect the manner in which such Client’s assets are invested.

The various SIMC services and investment programs offered by Independent Advisors to their Clients through IAS are explained below and in a separate “Wrap Brochure” describing SIMC’s managed account solutions offering, the Independent Advisor Solutions by SEI-Managed Account Solutions Wrap Fee Program Brochure.

### SEI Pooled Investment Vehicles

#### SEI Mutual Funds

SIMC serves as the investment advisor to the SEI mutual funds (“SEI Funds”), which is a family of SEC-registered mutual funds. Most of the SEI Funds are manager-of-managers funds, which means that SIMC (i) hires one or more sub-advisors to manage the SEI Funds on a day-to-day basis; (ii) monitors the sub-advisors; (iii) allocates, on a continuous basis, assets of a SEI Fund among the sub-advisors (to the extent a fund has more than one sub-advisor) and (iv) when necessary, replaces sub-advisors. Each sub-advisor makes investment decisions for the assets it manages and continuously reviews, supervises and administers its investment program. SIMC is generally responsible for establishing, monitoring, and administering the investment program of each SEI Fund. While most SEI Funds are managed by sub-advisors, SIMC directly manages all or a portion

of certain SEI Funds' assets directly. Please see [Item 8](#) for additional information on the sub-advisor selection process.

### **SEI Exchange Traded Funds**

SIMC serves as the investment advisor to the SEI exchange traded funds, a recently registered series of SIMC-managed funds ("SEI Managed ETFs"). As investment advisor, SIMC has overall responsibility for the general management and administration of the SEI Managed ETFs. Unlike with the SEI Funds, SIMC does not generally hire sub-advisors, but directly manages the assets of each SEI Managed ETF. SIMC provides an investment program for each SEI Managed ETF and manages the investment of the Funds' assets. In managing the SEI Managed ETFs, SIMC may draw upon the research and expertise of its affiliates with respect to certain portfolio securities. In seeking to achieve the SEI Managed ETFs' investment objective, SIMC uses teams of portfolio managers, investment strategists and other investment specialists. This team approach brings together many disciplines and leverages SIMC's extensive resources.

SIMC develops various SEI Funds and SEI Managed ETFs, each of which seeks to achieve particular investment goals. The SEI Funds and SEI Managed ETFs are not tailored to accommodate the needs or objectives of specific individuals, but rather the program is designed to enable an Independent Advisor to match its Clients with SEI Funds and SEI Managed ETFs that are consistent with the Client's investment goals and objectives. Additionally, Clients invested in the SEI Funds and SEI Managed ETFs may not impose restrictions on investing in certain securities or types of securities within each SEI Fund and SEI Managed ETFs. The Independent Advisor is solely responsible for determining the suitability of the SEI Funds and SEI Managed ETFs for its Clients.

### **Fund Models-Based Program**

IAS offers Independent Advisors the ability to invest Client assets into model portfolios of mutual funds and exchange traded funds ("ETFs"). SIMC currently offers investment models that consist: (i) solely of allocations to SEI Funds and SEI Managed ETFs ("SEI Asset Allocation Model(s)"); and (ii) allocation to third-party branded investment model portfolios of certain families of third-party mutual funds or ETFs managed by well-established fund sponsors working with IAS to promote and distribute the IAS solution ("Independent Funds Model(s)"). In each models-based program Clients of Independent Advisors, in consultation and on the recommendation of their Independent Advisor, are able to purchase funds in a manner intended to follow SIMC-developed model investment portfolios.

Under both the SEI Asset Allocation Models and Independent Funds Models programs SIMC provides non-discretionary services to the Independent Advisor through the publication of investment models consisting of allocations to these different funds. Specifically, SIMC: (1) makes available the models, developed and periodically updated by SIMC designed to achieve the model's stated investment objective or goal based upon SIMC's capital market assumptions and any other criteria that SIMC, in its sole discretion, determines is relevant; and (2) periodically publishes for consideration by Independent Advisors revisions to a model's percentage asset allocations among the underlying SEI Funds, SEI Managed ETFs, ETFs or third party mutual funds, or adds, removes, or otherwise changes the individual SEI Funds', SEI Managed ETFs', ETFs' or third party mutual funds' (or other assets) underlying an existing model.

As SIMC is not managing Client accounts the SEI Asset Allocation Models and Independent Funds Models programs SIMC does not conduct an independent investigation of the Independent Advisor's Client or the Client's financial condition. Instead, the Independent Advisor serves as the sole investment advisor to its Client, responsible for analyzing its Client's current financial situation, risk tolerance, time horizon, and asset class preference and determining whether a particular model (and its underlying SEI Funds, SEI Managed ETFs or third party funds, as applicable) is suitable for that Client. Based upon the Independent Advisor's consideration of its Client's objectives and goals, the Independent Advisor can recommend and the Client can select an SEI Asset Allocation Model or Independent Funds Model. The Independent Advisor can use tools made available by SIMC, including SIMC's proprietary proposal tool ("SEI Proposal Tool"),

to assist the Independent Advisor in developing an appropriate asset allocation strategy for the Client and recommending model portfolios to the Independent Advisor for consideration for use with the Client.

Each model seeks to achieve a particular investment goal or to meet particular risk and return characteristics. These models are not tailored to accommodate the needs or objectives of specific investors, but rather the program is designed to enable an Independent Advisor to match its Clients to investment models that are consistent with the Clients' investment goals and objectives. Clients may not impose reasonable restrictions on investing in certain securities or types of securities within each model.

SIMC's affiliate, SEI Private Trust Company ("SPTC"), a limited purpose federal thrift that custodies Independent Advisors' Client accounts generally requires accounts to retain a minimum allocation to the SEI Integrated Cash Program ("Integrated Cash Program"). As described in detail in [Item 10](#), the SEI Integrated Cash Program has two tiers; in the first up to 1% of an Clients account value held at SPTC will be invested into deposit accounts eligible for insurance by the FDIC ("FDIC Sweep") and a second tier allocating cash above 1% into the sweep class of the SEI Daily Income Trust Government Fund, a money market mutual fund that is part of the SEI Funds ("Sweep Fund"). In order to facilitate this requirement, Models-Based Program strategies generally include a minimum allocation (generally 1%) to the Integrated Cash Program. This program results in financial benefits to SPTC and SIMC. Please see [Item 10](#) and [15](#) below for more information about SPTC, its custodial services provided to Clients and the Integrated Cash Program.

As described in more detail in the specific program descriptions below, how SIMC and its affiliates earn fees when making available the SEI Asset Allocation Models and Independent Funds Models differs. In the SEI Asset Allocation Models program, SIMC and its affiliates earns fees from the SEI Funds and SEI Managed ETFs, which costs are indirectly borne by Clients invested in these models. As a result, SIMC does not charge Independent Advisors or Clients a direct fee for the use of the SEI Asset Allocation Models, although SPTC, the custodian to the Client and an affiliate of SIMC, will charge a custodial platform fee on the portion of Client assets invested in SEI Managed ETFs as SPTC does not earn fees on the SEI Managed ETFs held in SPTC accounts. In the Independent Funds Model Program SIMC and its affiliates (including SPTC) charge direct fees that will be assessed to Clients. The level of total fees incurred by a Client directly and/or through the product level fees between these two programs may differ significantly. SIMC manages this conflict through the disclosures we make about the fees we earn. Clients are encouraged to consult with their Independent Advisors before investing in these programs to consider the fee structures and costs the Client will incur directly and indirectly through their investment in these programs.

As the Independent Funds Model Program is currently available to a limited number of Independent Advisors, most Independent Advisors only have access to SEI Asset Allocation Models. Specific information applicable to each of our models-based programs is discussed below.

### **SEI Asset Allocation Models**

In this models-based program, Clients of Independent Advisors are able to purchase SEI Funds and SEI Managed ETFs in a manner intended to follow SIMC-developed model investment portfolios. SIMC acts a non-discretionary advisor to Independent Advisors in this program by developing the investment models and providing the models and their underlying asset allocations to Independent Advisors for their consideration, but SIMC does not have an investment advisory relationship with the Independent Advisor's Clients in this program. Within the SEI Asset Allocation Program, SIMC periodically adjusts the target allocations among the SEI Funds and SEI Managed ETFs or may add or subtract SEI Funds or SEI Managed ETFs from a model. SIMC also may create new models within the Asset Allocation Program. SIMC may allocate to newly registered SEI Funds or SEI Managed ETFs within existing or new models. Such allocations may assist in capitalizing or "seeding" these new funds and in turn assist in their promotion as initial or additional assets may make such funds more attractive to potential investors. A conflict exists in that SIMC and its affiliates receive compensation from the SEI Funds or SEI Managed ETFs for the various services they provide, and an allocation to an SEI Fund or SEI Managed ETF could increase such

compensation. And, as the SEI Managed ETFs are relatively new investment products and SIMC expects to launch additional SEI Managed ETFs from time to time, the inclusion of these funds in a model further benefits SIMC as it allows those ETFs to become commercially viable and more attractive in the market without SIMC having to invest its own capital in those SEI Managed ETFs. Clients should be aware that similar products may offer better performance and/or longer track records than SEI Managed ETFs. Independent Advisors independently determine whether to follow SIMC's adjusted model for their Clients by instructing (or not instructing) the custodian to allocate the Clients' assets in accordance with the revised SEI Asset Allocation Model's parameters and/or by selecting a different model for use with its Clients.

As SIMC is the investment advisor to the SEI Funds and SEI Managed ETFs, and SIMC's affiliates provide services to the SEI Fund and SEI Managed ETFs for which they receive fees, including distribution, administrative and shareholder services, SIMC has a conflict of interest in recommending the SEI Asset Allocation Models to Independent Advisors. SIMC believes this conflict of interest is managed through the disclosures we make about the program and, importantly, as a result of the fact that the Independent Advisor, and not SIMC, is solely responsible for recommending and selecting the use of an SEI Asset Allocation Model with its Clients. In addition, SIMC does not charge the Independent Advisor for the non-discretionary advice it provides through the development, maintenance and publication of the SEI Asset Allocation Models or the tools made available for use by Independent Advisors with their Clients within this program, which fees are assessed in the Independent Funds Model Program.

Since a large portion of the assets in the SEI Funds and SEI Managed ETFs are comprised of Clients following these Asset Allocation Models (or other asset allocation models for which SIMC either determines or influences the allocation), model reallocation activity could result in significant purchase or redemption activity in the SEI Funds or SEI Managed ETFs. While reallocations are intended to benefit Clients that invest in the SEI Funds and SEI Managed ETFs through the SEI Asset Allocation Models, they could in certain cases have a detrimental effect on the SEI Funds and SEI Managed ETFs that are being materially reallocated, including by increasing portfolio turnover (and related transaction costs), disrupting portfolio management strategy, and causing a SEI Fund or SEI Managed ETF to incur taxable gains. Further, Clients following the Asset Allocation Models may experience transaction costs due to the purchase and redemption of SEI Fund or SEI Managed ETF shares, including capital gains. SIMC seeks to manage the impact to the SEI Funds and SEI Managed ETFs resulting from reallocations.

For temporary defensive or liquidity purposes during unusual economic or market conditions, SIMC may change the allocations of the SEI Asset Allocation Model in a manner that would not ordinarily be consistent with a portfolio's strategy. SIMC will only do so only if it believes that the risk of loss outweighs the opportunity for capital gains or higher income. During such time, a portfolio may not achieve its investment goal.

### **Independent Funds Model Program**

In this program, Independent Advisors and their Clients desire to use SIMC's non-discretionary asset allocation advice, as discussed above for the SEI Asset Allocation Models, but implemented through branded investment models allocated to funds of well-known mutual fund/ETF sponsors with established records managing retail assets through traditional pooled investment products (e.g., mutual funds and ETFs). To use this program, Independent Advisors execute a non-discretionary advisory agreement with SIMC in order for SIMC to receive an advisory fee for its services provided to the Independent Advisor. In most cases SIMC expects that Independent Advisors will pass the fees charged by SIMC in this program directly to its Clients invested in an Independent Funds Model and the IAS account opening paperwork allows Clients to authorize SPTC, as custodian to their account, to deduct these fees directly from their SPTC custodial accounts.

As set forth in the applicable account application executed by a Client, SPTC will also charge accounts invested in the Independent Funds Models Program a custodial platform fee. This fee is not charged to Independent Advisors or Clients when investing in SEI Funds as part of the SEI Asset Allocation Models as

SPTC earns fees from the SEI Funds. SIMC believes the conflict of interest in the differing fee structures between the models-based programs is managed through the disclosures we make about the program and, importantly, as a result of the fact that the Independent Advisor, and not SIMC, is solely responsible for recommending and selecting the use of the Independent Funds Models with its Clients.

SIMC does not research the entire market of available mutual funds/ETFs when selecting third party funds for use in this program. Instead, IAS develops strategic business relationships with the sponsors of a limited number of third party mutual fund/ETF families that meet specific business and investment criteria established by SIMC and develops branded investment models promoting the third party's investment brand.

These business criteria include willingness to engage in joint marketing, sales support, event support and other mutually beneficial marketing and sales arrangements with SEI. As a result, SIMC has a conflict of interest when making these funds available because SIMC relies on these firms to help market and support IAS solutions. Another criteria SIMC takes into consideration is whether the mutual fund/ETF families are well established and well known "brands" in the Independent Advisor channel. This reliance on these firms creates a disincentive for SIMC to discontinue the availability of the third party funds they sponsor, even if their funds do not compare favorably to other available funds on objective factors such as performance or cost. Investment criteria SIMC uses to select third party funds varies as will the percent of a model's allocation to third party funds. In some cases SIMC selects mutual fund/ETF sponsors whose fund line-up spans from a majority of to a full range of asset classes necessary to meet SIMC's range of the models' asset allocations. In other cases, the third party fund sponsor has a more limited range of funds that SIMC uses to populate a model, which may be as low as 10% of a model's total investment allocation. In those cases where the mutual fund/ETF sponsor does not have a mutual fund or ETF meeting SIMC's requirements for a specific asset class within a model strategy, SIMC will select SEI Managed ETFs or other third party ETFs or mutual funds to complete a Third Party Fund program strategy. SIMC will first determine if an SEI Managed ETF meets the asset class requirement and, if so, will use the SEI Managed ETF as part of the model. This determination is based on the SEI Managed ETF's stated investment strategy and its alignment with the asset call requirement, as determined in SIMC's discretion. SEI then selects from third party ETFs and mutual funds to complete the model allocation.

The business and other criteria listed in the preceding paragraph are the primary factors SIMC takes into consideration when selecting any third party fund sponsor for participation in the Independent Funds Model Program. Moreover, there are other business-related criteria that SIMC takes into consideration. In particular, SIMC and its affiliates provide a wide range of financial services to institutional firms, including through the provision of technology solutions, middle and back office platform solutions, turn-key pooled product solutions and other financial services unrelated to the IAS offering. The revenue SIMC and its affiliates earn from these relationships often is significant. When selecting mutual fund/ETF sponsors for inclusion in the Independent Funds Model Program, SIMC will take these other SEI relationships into account and, accordingly, IAS may select a mutual fund/ETF sponsor that is a client of SEI for other purposes and we have a conflict of interest when doing so. We mitigate this conflict through the requirement that in all cases the firm meet our above noted criteria at the time of initial inclusion in the program and also on an ongoing basis. In addition, SIMC believes the conflict of interest associated with the business criteria described above is managed through the disclosures we make about the program and, importantly, as a result of the fact that the Independent Advisor has multiple options available when determining how to access SIMC's asset allocation advice, both through the availability of multiple Independent Funds Model Program models and the programs available outside of the Independent Funds Model Program, and that the Independent Advisors, and not SIMC, is solely responsible for recommending and selecting the use of any Independent Funds Model Program model with its Clients.

SIMC has conflicts of interest when the SEI Managed ETFs are used to fulfill an Independent Funds Model Program model's asset allocation. SIMC is the investment advisor to the SEI Managed ETFs, and earns advisory fees for providing services to them, which revenue SIMC does not earn when selecting third party funds. In addition, SIMC's affiliates provide services to the SEI Managed ETFs and Sweep Fund (e.g., administrative, distribution, transfer agency, etc.) and receive fees from the funds for these services.



SIMC's affiliates would not typically receive these custodial, shareholder servicing and administrative fees in connection with direct investments or investments in unaffiliated mutual funds. And, as the SEI Managed ETFs are relatively new investment products and SIMC expects to launch additional SEI Managed ETFs from time to time, the inclusion of these funds in a model further benefits SIMC as it allows those ETFs to become commercially viable and more attractive in the market without SIMC having to invest its own capital in those SEI Managed ETFs. Clients should be aware that similar products may offer better performance and/or longer track records than SEI Managed ETFs. SIMC believes the conflict of interest associated described above is managed through the disclosures we make about the program and, importantly, as a result of the fact that the Independent Advisor has multiple options available when determining how to access SIMC's asset allocation advice, and that the Independent Advisors, and not SIMC, is solely responsible for recommending and selecting the use of any Independent Funds Model Program model with its Clients. In connection with the allocations to the Integrated Cash Program, (i) SIMC rebates against the SIMC Fee an amount equal to the fee SIMC earns as manager to the Sweep Fund and (ii) does not charge the SIMC fee on amounts allocated to FDIC Sweep.

### **Managed Account Solutions**

Managed Account Solutions ("MAS") is a wrap fee program available to Independent Advisors within IAS. SIMC charges a bundled fee that includes advisory, brokerage and custody services. SIMC sponsors and is advisor to MAS, which is offered to Independent Advisors for investment by their Clients. SIMC enters into a tri-party investment management agreement with the Independent Advisor and its Client to provide MAS. In the MAS Program, the Client appoints the Independent Advisor as its investment advisor to assist the Client in selecting an appropriate investment strategy. The Client appoints SIMC to manage the assets in each portfolio in accordance with the strategy recommended by the Independent Advisor and selected by the Client.

MAS consists of distinct investment programs administered by SIMC, each program encompassing various investment strategies (each strategy, a "Managed Account Strategy"), available for use by Independent Advisors with their Clients. The two programs currently available under MAS are: (1) our "Individual Manager Strategies" which are individual investment strategies (or model investment portfolios) constructed by third party investment managers selected and overseen by SIMC ("Portfolio Managers") or, in certain cases, constructed and directly managed by SIMC, covering a broad spectrum of investment styles; and (2) our "Models-Based Strategies" consisting of investment strategy models managed directly by SIMC comprised of either (i) SEI Funds and SEI Managed ETFs, (ii) third party exchange traded funds ("ETFs") and/or SEI Managed ETFs, or (iii) third party branded investment strategies investing in families of third-party mutual funds or ETFs managed by well-established fund/ETF sponsors working with IAS to promote and distribute our MAS program. A detailed description of MAS, including the services provided, available SIMC Managed Account Strategies and the related fees, can be found in the Wrap Brochure.

As specified in the applicable MAS program materials, SIMC constructs and directly manages certain Individual Manager Strategies instead of hiring Portfolio Managers to do so. The strategies SIMC manages directly include various fixed income strategies, index-replication strategies, and factor-based strategies. Generally, these investment management services are not tailored to accommodate the needs or objectives of specific individuals, but rather this program is designed to enable Clients to be matched with a portfolio that is consistent with the Client's investment goals and objectives. Within MAS SIMC does also offer customized fixed income portfolios, where SIMC, at the Independent Advisor's instruction and with the Independent Advisor's review and approval, customizes a fixed income portfolio for a Client based on the information provided to SIMC from the Client's Independent Advisor. In all cases, a Client may, at any time, impose reasonable restrictions on the management of its account.

### **SIMC Sub-Advised Program**

The SIMC Sub-Advised Program ("Sub-Advised Program") is made available to Independent Advisors who may allocate their Clients' assets for investment into this program. SIMC is hired by the Independent Advisor as sub-adviser to the Independent Advisor in order to provide certain discretionary sub-advisory

services to the Independent Advisor in connection with the Independent Advisor's services provided to its Clients. SIMC makes available to the Independent Advisor the same SIMC Managed Account Strategies under this program as those made available in MAS. However, in this program only the Independent Advisor and SIMC (and not the Independent Advisor's Client) enter into an agreement ("SIMC Sub-Advisory Program Agreement") which provides that SIMC's will provide services solely to the Independent Advisor through the management of assets allocated to the Sub-Advised Program. The SIMC Managed Account Strategies are designed to seek to achieve particular investment goals or to meet particular risk and return characteristics, but are not tailored to accommodate the needs or objectives of specific individuals. Rather, the Sub-Advised Program is designed to enable the Independent Advisor to match its Clients with one or more SIMC Managed Account Strategies that are consistent with the Client's investment goals and objectives (as determined by the Independent Advisor).

SIMC does not have an investment advisory relationship with the Independent Advisor's Clients in this program. As established in the Sub-Advised Program Agreement, the Independent Advisor is solely responsible for advisory services provided to Clients, including determining that the SIMC Managed Account Strategies selected by the Independent Advisor are suitable for its Clients. Once the Independent Advisor allocates Client assets to one or more SIMC Managed Account Strategies, those assets will be invested by SIMC in accordance with the applicable strategies, as updated by SIMC (or the applicable Portfolio Manager) from time to time. The Independent Advisor may select one or more SIMC Managed Account Strategies for an account.

In many cases, including Distribution-Focused Strategies and most equity-based SIMC Managed Account Strategies, SIMC is provided with the Portfolio Manager's investment strategy model (each a "Model Manager") and SIMC will generally execute all equity trades using SEI Investments Distribution Co. ("SIDCO"), SIMC's affiliated broker-dealer, consistent with the duty to seek best execution. SIMC manages assets allocated to the Sub-Advised Program in the same manner that it manages assets allocated to its MAS program. Accordingly, a portion of the SIMC sub-advisory fees charged to the Independent Advisor covers equity trading costs of Sub-Advised Program asset trades executed through SIDCO (See [Items 5](#) and [12](#) below for more information on SIMC's brokerage practices. Additionally, SIMC and certain Portfolio Managers (each, a "Trading Manager") also execute trades directly through third party broker dealers in certain cases (i.e., for most fixed income strategies). See [Item 12](#) - Brokerage Practices, and the Quarterly Execution Quality Review Report made available to the Independent Advisor and Clients invested in MAS for additional information.

The Sub-Advised Program offers a "tax management" feature pursuant to which SIMC, at the direction of the Independent Advisor, appoints or acts as an overlay manager for the equity portion of the Independent Advisor's Client's assets invested in the Sub-Advised Program. The various Model Managers whose equity strategies are allocated to Client accounts by the Independent Advisor provide buy/sell lists (i.e., model portfolios) to the overlay manager, who is responsible for executing transactions across the account within certain performance parameters and security weighting variances from the underlying model portfolios, with the goal of increased coordination across the equity portion of the account, increased tax efficiency and minimization of wash sales. In certain cases, at the Independent Advisor's request, SIMC will apply tax management to Individual Manager Strategies. Clients should consult with their Independent Advisor and tax advisors as to the suitability of the tax management feature for their accounts. Neither the overlay manager nor SIMC offers tax advice.

The Independent Advisor may also authorize SIMC to provide ad-hoc tax loss harvesting to its Clients' accounts invested in the Sub-Advised Program by selling certain securities and substituting appropriate securities, generally broad based ETFs, when seeking to achieve the estimated tax benefits. SIMC will engage in tax loss harvesting transactions up to the amount authorized by the Independent Advisor for a Client to the extent the tax savings may be reasonably achieved while still maintaining the selected investment strategy. Ad-hoc tax loss harvesting can cause a variance in the performance of the SIMC Managed Account Strategy. The Independent Advisor may, at any time, impose reasonable restrictions on the management of its Clients' assets allocated to the Sub-Advised Program.

SIMC discloses its investment management fees (“SIMC Fees”) to the Independent Advisor at or prior to the time the SIMC Sub-Advised Program Agreement is signed and the Independent Advisor agrees to the SIMC Fees by executing the agreement. Independent Advisors are responsible for the payment of the SIMC Fees under this program. In most cases, SIMC expects that the Independent Advisor will instruct the Clients’ Custodian to deduct the applicable SIMC Fees payable by the Independent Advisor directly from its Client accounts invested in the Sub-Advised Program and pay such amounts to SIMC. In some cases, SEI Funds and SEI Managed ETFs are included within SIMC Managed Account Strategies for which SIMC also serves as an investment manager and SIMC affiliates provide services, including administrative, transfer agency, distribution, and shareholder services. Depending on the specific Managed Account Strategies implementation, SIMC either waives its SIMC Fees on those assets or rebates against the SIMC Fee an amount equal to the fee SIMC earns as manager to the selected SEI Funds or SEI Managed ETFs. Participation in the Sub-Advised Program may cost the Independent Advisor (and its Clients) more or less than if the Independent Advisor (or its Clients) paid separately for investment advice, brokerage, and other services. In addition, the fees may be higher or lower than that charged by other comparable programs. Additional information about SIMC’s use of proprietary funds in Managed Account Strategies and how SIMC addresses the conflict this presents through its fee waiver and rebating process may be found in the Wrap Brochure.

Clients’ assets allocated to SIMC Managed Account Strategies in the Sub-Advisory Program are subject to the risk that performance may deviate from the performance of similarly managed accounts (including within MAS) and other proprietary or client accounts over which the Portfolio Manager or SIMC retains trading authority (“Other Accounts”). In addition, a Portfolio Manager running a model portfolio may implement that model portfolio for its Other Accounts prior to submitting its model to SIMC. In these circumstances, trades may be subject to price movements that result in the Independent Advisor’s Clients’ assets receiving prices that are different from the prices obtained by the Portfolio Manager for its Other Accounts, including less favorable prices. The risk of such price deviations may increase for large orders or where securities are thinly traded.

**Gateway Manager Program (available to certain Independent Advisors that also participate in the SIMC Sub-Advised Program)**

Through SIMC’s affiliates, IAS offers certain Independent Advisors that also participate in the Sub-Advised Program access to the “Gateway Manager Program”. Under the Gateway Manager Program, Independent Advisors have access to certain third party investment managers’ (“Gateway Managers”) equity strategies (generally in the form of non-discretionary model portfolios) and fixed income strategies (generally in the form of discretionary separately managed accounts). In the Gateway Manager Program, SIMC’s affiliate, SEI Global Services, Inc. (“SGS”) provides operational support in connection with the Independent Advisors’ use of these Gateway Managers’ strategies with their Clients. Independent Advisors also have access to portfolio construction and rebalancing functionality and tools they may use to allocate Clients’ assets among the Gateway Managers and their strategies and determine the appropriateness of such asset allocations for Clients. Unlike SIMC’s role within MAS, in this program SIMC does not select, oversee or contract with these Gateway Managers and, accordingly, SIMC does not act in a fiduciary capacity in connection with the selection, retention or oversight of the Gateway Managers or their investment strategies. In addition, SIMC’s affiliates who provide access and operational support in connection with this program also do not provide any services regarding the selection, retention or oversight of the Gateway Managers. The Independent Advisor is solely responsible for the recommendation, selection and ongoing monitoring of Gateway Managers and their investment strategies for Clients, any allocation among them, ensuring that any recommendation or selection it makes is based on its own evaluation of what is in the best interests of each Client and consistent with its fiduciary obligation to each Client, and conducting appropriate initial and on-going due diligence when recommending, selecting and monitoring a Gateway Manager and its investment strategy for any such Client.

When an Independent Advisor selects a Gateway Manager equity model portfolio for its Client, in most cases the Gateway Manager will provide its equity model to SIMC (“Gateway Models”) who will generally execute all equity trades using SIDCO, consistent with the duty to seek best execution. SIMC’s role in the

Gateway Manager Program is limited to implementing the Gateway Models equity portfolios provided, applying any reasonable restrictions on securities held in the Client's account and which are invested in a Gateway Model equity strategy, and voting proxies for equity securities held in connection with an equity strategy (see [Item 17](#) for SIMC's proxy voting process). The Independent Advisor is solely responsible to supervise Client accounts invested in the applicable Gateway Manager model and for determining that the model and its underlying investment components are and remain in the Client's best interest over time. A portion of the fee SIMC earns for providing these limited services covers equity trading costs of the trades executed through SIDCO (See [Items 5](#) and [12](#) below for more information on SIMC's brokerage practices).

When an Independent Advisor selects a Gateway Manager implementing its strategy through a discretionary managed account, generally fixed income strategies and certain equity strategies, the Gateway Manager will be solely responsible for executing trades consistent with its duty to seek best execution, applying any reasonable restrictions on securities held in the Client's account, and voting proxies for securities held in these discretionary managed accounts. Gateway Managers of discretionary managed accounts have full discretion over the selection of brokers for equity trade execution, including in connection with equity strategies the ability to select SIDCO for trading equity securities. To the extent the Gateway Manager selects SIDCO for trade execution, SIDCO will execute those trades in a zero commission account consistent with trades placed in Gateway Models by SIMC (as described in [Items 5](#) and [12](#) below). SIMC will not play any role (whether investment advisory in nature or otherwise) in connection with fixed income strategies available in the Gateway Manager Program or discretionary managed equity strategies, although SGS does provide the operational support described above in connection with these strategies.

As an additional service and for a separate fee, at the Independent Advisor's instruction, SIMC will provide tax management overlay services (in the same manner as described in the Sub-Advised program services section of this Brochure) for the equity portion of accounts allocated to the Gateway Manager Program by the Independent Advisor. A more detailed description of the roles and responsibilities of SIMC, SIMC's affiliates and the Independent Advisor are set forth in the agreement each Independent Advisor is required to execute to participate in the Gateway Manager Program and the documentation IAS makes available to Independent Advisors and their Clients about the program.

It is important for Clients to be aware that (i) certain Gateway Managers of equity strategies manage accounts outside of the Gateway Program on a discretionary basis and pursuant to investments strategies similar to their respective equity strategies available in the Gateway Manager Program, (ii) those outside discretionary accounts may trade ahead of the accounts of Clients invested in equity strategies in the Gateway Manager Program. This conflict is managed through the Independent Advisor's responsibility for determining that it is in the best interests of its Client to invest in a Gateway Manager's equity strategy notwithstanding this practice and any conflicts of interest created by it.

#### SIMC Fees for Gateway Manager Program services

The fee an Independent Advisor is charged when investing Client assets through the Gateway Manager Program is a bundled fee charged by SIMC's affiliate, SGS, providing access to the Gateway Manager Program, inclusive of the operational, technology and custodial services provided by SIMC's affiliates and fees paid to the participating Gateway Managers. And, as applicable, a portion of this bundled fee is paid to SIMC by its affiliate for its equity model implementation and related services described above. Independent Advisors are responsible for the payment of the Gateway Manager program fees. In most cases, SIMC expects that the Independent Advisor will instruct SPTC, the Clients' Custodian, to deduct the applicable fees payable by the Independent Advisor directly from its Client accounts invested in the program and pay such amounts to SGS. The Gateway Manager Program fees are listed in the agreement the Independent Advisor executes to participate in the program and are also made available to Independent Advisor and their Clients through the various materials IAS makes available about the Gateway Manager Program. The amounts SGS charges and pays to Gateway Managers is subject to negotiation, meaning it can charge and pay Gateway Managers with substantially similar strategies different amounts, which will result in different levels of profitability to SGS based on the Gateway

Manager that is selected. Client should be aware that these practices involve material conflicts of interest on the part of SGS, as SGS will benefit economically if the Gateway Managers that are charged relatively more and/or paid relatively less money by SGS are selected by Independent Advisors and their Clients. However, because none of SGS, SIMC or any of their affiliates play any role in selecting or recommending Gateway Managers or their strategies to Clients, they have no ability to influence which Gateway Managers or strategies are used by Clients and their Independent Advisors. In this respect, SGS does not share the details of the economic arrangements it has with the Gateway Managers with any Independent Advisor or Client, only the total fee that the Client will incur as a result of utilizing a particular Gateway Manager or strategy.

If an Independent Advisor elects for SIMC to provide tax management overlay services over the equity portion of a Client's account allocated to the SEI Gateway Manager Program, SIMC will charge the Independent Advisor a separate management fee, which fee we expect the Independent Advisor will generally pass through to its Client, of 0.10% on assets allocated by the Independent Advisor for tax management overlay services.

The fees a Client will pay to participate in the Gateway Manager Program are separate and apart from any advisory or other fees the Independent Advisor charges to its Client for its services in connection with the Gateway Manager Program. None of SIMC, SGS or any of their affiliates receive any portion of the fee the Independent Advisor charges to its Client for its services. Such fee is negotiated between the Independent Advisor and its Client.

In addition to the fees charged by SGS and the Independent Advisor, Clients will be subject to the following fees and charges, as applicable: the internal operating expenses and fees of mutual funds, ETFs, or other pooled investment vehicles, such as management fees, service fees, redemption fees and 12b-1 fees; fees related to brokerage and clearing services for account assets invested in fixed income strategies, such as brokerage commissions, dealer markups/markdowns, and administrative expenses such as wire transfer fees.

### **Strategist Program**

SIMC offers a "Strategist Program" to Independent Advisors managing client assets held on third party custody platforms. Under the Strategist Program SIMC creates and periodically publishes updates various asset allocation portfolios or investment consisting of allocation to SEI Funds, SEI Managed ETFs and Exchange Traded Funds and, in some cases, other assets types ("Strategist Models"). In many cases the Strategist Models are the same or similar to models that SIMC makes available under the SEI Asset Allocation Program or MAS Models-Based Strategies. In the Strategist Program the Independent Advisor serves as its Clients' contact and sole advisor to its Clients, and is responsible for analyzing each of its Client's current financial situation, return expectations, risk tolerance, time horizon, asset class preference and for recommending an appropriate Sub-Advisory Model. The Independent Advisor is responsible for determining an Client's initial and ongoing suitability to invest in the appropriate Strategist Model, including the suitability of the particular asset allocation strategy selected for the Client. The Independent Advisor is also responsible for meeting with Clients periodically to determine any material changes to the Client's financial circumstances or investment objectives that may affect the manner in which such Client's assets are invested. The Strategist Models are not tailored to accommodate the needs or objectives of specific individuals, but rather designed to enable the Independent Advisor's Clients to be matched with a Strategist Model that is consistent with an Client's investment goals and objectives.

In the Strategist Program, SIMC will generally provide a third party technology or custodial platform selected by the Independent Advisor with a proposed buy/sell list of recommended Strategist Model allocations and will periodically communicate changes to these Strategist Models that SIMC may also implement in part or whole for its discretionary Client accounts and/or communicate to Independent Advisors using the SEI Asset Allocation or Independent Fund Models Programs. SIMC will implement these buy/sell list recommendations for its discretionary Client accounts prior to submitting its buy/sell list to

its non-discretionary Clients and may provide proposed changes to one non-discretionary Client prior to another, but will seek to ensure that Strategist Model changes are distributed to non-discretionary Clients in a fair and equitable manner over time. In these circumstances, trades ultimately placed by an Independent Advisor for its Clients may be subject to price movements particularly with large orders or where securities are thinly traded, that may result in the Independent Advisor's Clients receiving prices that are less favorable than the prices obtained by SIMC (or SIMC's other clients) for its proprietary or discretionary accounts.

Certain Strategist Models consist solely of allocation to SEI Funds and/or SEI Managed ETFs. As SIMC is the investment advisor to each of the SEI Funds and SEI Managed ETFs and SIMC's affiliates provide other services to the SEI Funds and SEI Managed ETFs (e.g., distributor, fund administrator, shareholder services, etc.), SIMC and its affiliates earn fees for providing services to the SEI Funds and SEI Managed ETFs when an Independent Advisor invests its Clients into SEI Funds and SEI Managed ETFs through Strategist Models. In order to address the conflict of interest this presents, SIMC does not generally charge the Independent Advisor or third party platform hosting the Strategist Models a fee on strategies consisting of allocations to SEI Funds, but instead is compensated through the fees earned within the SEI Funds (which fees are charged to Client accounts investing in such shares). However, to the extent SEI Managed ETFs are allocated to Strategist Models, SIMC will generally charge the Independent Advisor or the third party hosting platform a fee and SIMC will earn both this compensation and indirectly amounts earned on fees from the SEI Managed ETFs. SIMC believes our conflicts of interest in using SEI Funds and SEI Managed ETFs is mitigated because the Independent Advisor, and not SIMC, is solely responsible for recommending and selecting use of a Strategist Model allocated to SEI Funds with Clients.

#### **Use of Affiliates**

For each of the programs and products described in this Brochure, SIMC hires one or more of its affiliate(s) to perform various services, including transition management services when transitioning Client assets to SIMC from its previous service providers, sub-advisory services, administrative services, custodial services (which custodial services includes the required use of the Integrated Cash Program), brokerage and/or other services and such affiliates receive compensation for providing such services. Please refer to [Item 10](#) for additional information.

## Item 5 - Fees and Compensation

Below are the fees for SIMC's investment programs offered to Independent Advisors for use with their Clients. In certain cases SIMC will apply discounts to the contracted sub-advisory fee rates (listed below). These discounts may be substantial and vary materially based on a variety of factors, including SEI's business relationship and individual arrangements with the Client's Independent Advisor. These discounts are typically at SIMC's discretion and may be terminated at any time, after which time contracted fee rates will apply.

Independent Advisors charge Clients additional fees for their investment advisory services, and SIMC does not establish, review or approve those fees. As discussed in this Brochure, many of the program available to Independent Advisors for use with Clients include allocation to SEI Funds. Clients will be invested in the SEI Fund share class for which they are eligible, as set forth in the SEI Funds' prospectuses, generally F Class shares. Independent Advisors that direct substantial Client assets in the aggregate to SEI Fund shares are eligible to invest Client assets into other SEI Fund share classes, generally with lower fees than F Class.

### **Fund Models-Based Program - SEI Funds and SEI Asset Allocation Program**

Each SEI Fund and SEI Managed ETF pays an advisory fee to SIMC that is based on a percentage of the portfolio's average daily net assets, as described in the applicable fund's prospectus. From such amount, SIMC pays a portion of the advisory fee to the sub-advisor(s) to the SEI Funds, if any. SIMC's fund advisory fee varies, but it typically ranges from 0.03% - 1.50% of the portfolio's average daily net assets for its advisory services. Affiliates of SIMC provide administrative, distribution and transfer agency services to all of the SEI Funds, as noted above and as described in the SEI Funds' registration statements, and are paid a fee from the SEI Funds for such services. However, in connection with the SEI Managed ETFs, SIMC pays all fund expenses, except for the fees paid to SIMC for advisory services, interest expenses, dividend and other expenses on securities sold short, taxes, expenses incurred with respect to the acquisition and disposition of portfolio securities and the execution of portfolio transactions (including brokerage commissions), acquired fund fees and expenses, distribution fees or expenses.

These fees and expenses are paid by the SEI Funds and SEI Managed ETFs but ultimately are borne by each shareholder of the SEI Funds and SEI Managed ETFs. If a Client invests in a model available through the SEI Asset Allocation Program, the Client will be charged the expense ratios of each of the applicable SEI funds included in the applicable model. Clients may have the option to purchase certain SIMC investment products, including the SEI Funds and SEI Managed ETFs, that SIMC recommends through other brokers or agents not affiliated with SIMC.

Clients also pay custody fees to SPTC on their Asset Allocation Program assets custodied at SPTC (which is generally a requirement of the program), although SPTC may waive its fee on models invested in SEI Funds (but generally not on SEI Managed ETFs). SPTC's custody fees range from 0.02% - 0.15%. 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.

### **Funds Models-Based Program - Independent Funds Model Program**

The advisory fee charged by SIMC to the Independent Advisor using the Independent Funds Model program, which, in almost all cases, will be paid by the Client pursuant to instructions provided to SPTC in the account application, range from 0.08% - 0.30%. SPTC will also charge accounts invested in the Independent Funds Model program a custodial platform fee on the assets held in a model that ranges from 0.02% - 0.15%, including on assets invested in SEI Managed ETFs. In addition, Clients will incur the expense ratios of the underlying mutual funds, ETFs and SEI Managed ETFs allocated to a model and held in a Client's accounts as noted in each fund's prospectus. Clients should discuss the Independent Funds Models Program with their Independent Advisor to understand the fees and expenses the Client will incur when investing in this program.



## **Fee in Similar Programs available in MAS**

Through MAS, which is described generally in this Brochure (and in detailed in SIMC's separate "Wrap Brochure"), SIMC directly manages portfolios that are similar to the model portfolios SIMC makes available on a non-discretionary basis within our Fund Models-Based Program. A Client's participation in the Fund Models-Based Program may cost the Client more or less than if the Client invested through MAS (which has a bundled fee), and the services provided by SIMC within MAS differs that our role within the Fund Models-Based Program based on our level of responsibility as the MAS sponsor. The difference in fees SIMC and its affiliates earn in MAS versus our Funds-Based Models Program could cause SIMC to recommend one program over the other. SIMC believes that this conflicts of interest of interest is mitigated through our disclosure about each investment program, including the different fees and services. SIMC also believes that our conflict of interest is further mitigated by the Independent Advisor's fiduciary responsibilities to its Clients, who has sole discretion to recommend a Fund Models-Based Program investment model to its Client. The degree of such mitigation may be affected if the Independent Advisor does not have access to SIMC's MAS program. Clients are encouraged to speak with their Independent Advisors regarding whether they have access to MAS. In addition, the fees SIMC charges for its models-based program may be higher or lower than that charged by other firms offering comparable programs.

## **Strategist Models Program**

Since these models may invest in SEI Funds and SEI Managed ETFs, SIMC and its affiliates will earn fund-level fees on assets as noted above and as set forth in the applicable Funds' prospectuses, including for providing distribution, administrative and shareholder services, and, accordingly, SIMC has a conflict of interest in recommending the use of Strategist Models comprised of SEI Funds and SEI Managed ETFs. Clients may also be charged custody or other fees by their third party custodian.

## **Managed Account Solutions**

For a description of the fees applicable to Clients invested through the MAS Program, please refer to the Wrap Brochure.

## **Sub-Advised Program Fees**

In the Sub-Advised Program the Independent Advisor pays a fee to SIMC for (i) its advisory services, (ii) the equity trade execution provided by SIMC's affiliate SIDCO (see [Item 12](#) for additional information), and (iii) the advisory services of Portfolio Managers. An Independent Advisor may instruct the Custodian to deduct this fee directly from its Clients' accounts and pay such amounts to SIMC on the Independent Advisor's behalf. SIMC's fees are a percentage of the daily market value of the Independent Advisor's Client's assets allocated to the SIMC Managed Account Strategies. SIMC's Fees are calculated and payable quarterly in arrears and net of any income, withholding or other taxes. SIMC may discount the fees, which may be higher or lower than those charged by other investment advisors for similar services.

When SEI Funds or SEI Managed ETFs are used in SIMC Managed Account Strategies, SIMC waives its MAS Program fee on those SEI Fund assets, but Clients will pay the SEI Funds product fees for the funds in each model as specified in the funds' prospectus. And, when SIMC selects an SEI Managed ETF within a Managed Account Strategy, SIMC will charge Clients the MAS Program fee on those ETF assets, but will rebate against the MAS Program fee an amount equal to the fee SIMC earns as manager to the selected SEI Managed ETFs. Please see our Wrap Brochure for more information.

Sub-Advised Program fees do not cover certain costs, charges or compensation associated with transactions effected in the program, including but not limited to, broker-dealer spreads, certain broker-dealer mark-ups or mark-downs on principal transactions; auction fees; fees charged by exchanges on a per transaction basis; certain odd-lot differentials; transfer taxes; electronic fund and wire transfer fees; fees on NASDAQ



transactions; certain costs associated with trading in foreign securities; and any other charges mandated by law. In addition, Sub-Advised Program fees do not cover execution charges (such as commissions, commission equivalents, mark-ups, mark-downs or spreads) on transactions SIMC or a Portfolio Manager places with broker-dealers other than SIDCO or its affiliates or agents (third-party broker-dealers), or mark-ups or markdowns by third-party broker-dealers. SIMC and Portfolio Managers execute trades for fixed income securities through third-party broker-dealers and the spread, mark-up or markdown on such a transaction is borne by the Independent Advisor's Clients assets invested in the Sub-Advised Program. SIMC makes available to Independent Advisors a quarterly report listing trading activity conducted with third party broker dealers along with certain cost information associated therewith. To the extent that transactions are executed through a third-party broker-dealer, any associated execution costs are incurred by the Client separate from the Sub-Advised Program fees.

The value of Sub-Advised Program assets invested in shares of unaffiliated investment companies (e.g., exchange traded funds, closed-end or mutual fund companies, and unit investment trusts) are included in calculating the SIMC fee to the extent permitted by law. These shares are also subject to investment advisory, administration, transfer agency, distribution, shareholder service and other fund-level expenses (some of which are paid to SIMC or its affiliates or to Portfolio Managers) that are paid by the fund and, indirectly, by the Independent Advisors' Clients' assets invested in such funds as a fund shareholder. The SIMC Fees will not be reduced by any of these unaffiliated fund-level fees, unless required by law. Please refer to [Item 12](#) for additional information on SIDCO.

Additionally, for the DFS Strategies Portfolios, SIMC charges Independent Advisors a maximum DFS Program Fee of 0.20% for providing administrative and recordkeeping services and other services to Independent Advisors' Client accounts invested in DFS. The fee is calculated at the account level and paid to SIMC quarterly in arrears. Independent Advisors may instruct the Custodian to deduct this fee directly from Clients' accounts and pay such amounts to SIMC.

#### **Gateway Manager Program Fees**

Investment Advisor pays a bundled fee charged by SIMC's affiliate, SGS, to gain access to the Gateway Manager Program that includes operational, technology and custodial services provided by SIMC's affiliates and fees paid to the participating Gateway Managers. A portion of this bundled fee is paid to SIMC by its affiliate for its equity model implementation and related services. If the Investment Advisor selects tax management services for a Client account, SIMC will charge a separate management fee of 0.10% for the tax management overlay services.

## Sub-Advised Program Fees

### Investment Styles or Models:

CATEGORY 1	<b>PM Model Description</b>	<b>Breakpoints</b>	<b>SIMC Fee*</b>
	All Cap, Equity Income, Global Equity, International Developed Markets, International Equity, Large Cap, Managed Volatility, Mid Cap, Socially Responsible Investing	First \$500,000 Next \$500,000 Next \$1 million Next \$3 million Next \$5 million Over \$10 million	0.80% 0.75% 0.70% 0.65% 0.60% 0.55%
CATEGORY 2	<b>PM Model Description</b>	<b>Breakpoints</b>	<b>SIMC Fee*</b>
	International Emerging Markets, Small Cap, Small-Mid Cap, REIT	First \$500,000 Next \$500,000 Next \$1 million Next \$3 million Next \$5 million Over \$10 million	1.00% 0.95% 0.90% 0.85% 0.80% 0.75%
CATEGORY 3	<b>PM Model Description</b>	<b>Breakpoints</b>	<b>SIMC Fee*</b>
	Alternative-Income, Alternative-Tax Advantage Income, , Core Aggregate, Core Aggregate Plus, Corporate Bond, Government/Corporate Bond, Government Securities, Municipal Fixed Income, Preferred Securities	First \$500,000 Next \$500,000 Next \$1 million Next \$3 million Next \$5 million Over \$10 million	0.60% 0.55% 0.51% 0.49% 0.45% 0.40%
CATEGORY 4	<b>PM Model Description</b>	<b>Breakpoints</b>	<b>SIMC Fee*</b>
	SEI Dynamic ETF Strategies, SEI Dynamic ETF Income Strategies, SEI Stability ETF Strategies, SEI Tax-Managed ETF Strategies, SEI Tax-Managed ETF Income Strategies, SEI Tax-Managed Stability ETF Strategies,	First \$250,000 Next \$250,000 Next \$500,000 Next \$1 million Next \$3 million Next \$5 million Over \$10 million	0.40% 0.35% 0.30% 0.25% 0.20% 0.17% 0.15%
CATEGORY 5	<b>PM Model Description</b>	<b>Breakpoints</b>	<b>SIMC Fee*</b>
	SEI Fixed Income Strategies	First \$500,000 Next \$500,000 Next \$1 million Next \$3 million Next \$5 million Over \$10 million	0.30% 0.27% 0.25% 0.20% 0.19% 0.18%
CATEGORY 6	<b>PM Model Description</b>	<b>Breakpoints</b>	<b>SIMC Fee*</b>
	SEI Factor Based Strategies	First \$500,000 Next \$500,000 Next \$1 million Next \$3 million Next \$5 million Over \$10 million	0.45% 0.30% 0.27% 0.22% 0.20% 0.18%
CATEGORY 7	<b>PM Model Description</b>	<b>Breakpoints</b>	<b>SIMC Fee*</b>
	SEI ETF Strategies, SEI ETF Income Strategies, SEI U.S. Focused ETF Strategies;	First \$500,000 Next \$500,000 Next \$1 million Next \$3 million Next \$5 million Over \$10 million	0.30% 0.27% 0.25% 0.20% 0.19% 0.18%

CATEGORY 8	PM Model Description	Breakpoints	SIMC Fee**
	Custom HNW Portfolios	First \$500,000	1.05%
		Next \$500,000	1.00%
		Next \$2 million	0.95%
		Next \$2 million	0.90%
		Next \$5 million	0.85%
		Next \$5 million	0.75%
		Next \$10 million	0.65%
		Over \$25 million	0.55%

CATEGORY 9	PM Model Description	Breakpoints	SIMC Fee*
	Third Party Fund Models, SEI Multi-Asset Income Strategies, SEI Sustainable ETF Strategies	First \$250,000	0.40%
		Next \$250,000	0.30%
		Next \$500,000	0.27%
		Next \$1 million	0.25%
		Next \$1 million	0.20%
		Next \$2 million	0.19%
		Over \$5 million	0.18%

CATEGORY 10	PM Model Description	Breakpoints	SIMC Fee*
	SEI Systematic Core <sup>1</sup>	First \$500,000	0.35%
		Next \$500,000	0.25%
		Next \$1 million	0.22%
		Next \$3 million	0.20%
		Next \$5 million	0.19%
		Over \$10 million	0.18%

Tax Management		SIMC Fee*
Tax Management		0.10% in addition to the SIMC Fee described above
Factor Tilts		
<sup>1</sup> Factor Tilts applicable to fees identified in Category 10 above only		0.05% in addition to the SIMC Fee described above

\*SIMC Fee breakpoint levels are determined based on an Independent Advisor's Client's total account assets invested in Sub-Advised Models categorized within the same strategy description groupings/fee rate schedules listed above. By way of example only, if an account is invested in two SIMC Sub-Advised Strategies, the first being a model classified as a Small Cap Growth strategy and a second model classified as a Small-Mid Cap Value strategy, the account assets invested in those two SIMC Sub-Advised Strategies will be combined for purposes of determining the applicable breakpoint levels for purposes of calculating the fees payable to SIMC. Breakpoints are not applied across the strategy description groupings/fee rate schedules. By way of example only, if an account is invested in a SIMC Sub-Advised Strategy classified as a Small Cap Growth strategy as well as in second SIMC Sub-Advised Strategy classified as an Alternative Income strategy, those account assets will not be combined for purposes of determining the applicable breakpoint level for calculating SIMC Fees, but assets allocated to each such SIMC Sub-Advised Strategy will be considered individually in determining fees payable to SIMC. SIMC may, in its sole discretion, waive one or more of these fees, in whole or part based on SIMC's relationship with the Independent Advisor. SIMC may end any such fee waiver at any time, after which time affected accounts will be assessed the applicable fees. \*\*Fee breakpoint levels are determined based on the Independent Advisor's Client's total account assets invested in the Custom HNW Portfolios listed above. SIMC may, in its sole discretion, waive one or more of these fees, in whole or part based on SIMC's relationship with the Independent Advisor. SIMC may end any such fee waiver at any time, after which time affected accounts will be assessed the applicable fees.

## Distribution Focused Strategies

### DFS Program Fee

0.20% (20 bps) paid to SIMC for providing administrative and recordkeeping services to the Independent Advisor's Clients' accounts invested in the DFS portfolio. This fee is pro-rated for an account invested in DFS portfolio for less than a quarter.

## DFS Strategies- ETF Models

Breakpoints	SIMC Fee*
First \$250,000	0.40%
Next \$250,000	0.35%
Next \$500,000	0.30%
Next \$1 million	0.25%
Next \$3 million	0.20%
Next \$5 million	0.17%
Over \$10 million	0.15%

## DFS Strategies Portfolios - Mutual Funds

Please reference the product fees listed in the SEI Funds prospectus.

\*Fee breakpoint levels are determined based on the Independent Advisor's Client's total account assets invested in the DFS Strategies- ETF Models. SIMC may, in its sole discretion, waive one or more of these fees, in whole or part based on SIMC's relationship with the Independent Advisor. SIMC may end any such fee waiver at any time, after which time affected accounts will be assessed the applicable fees.

## Additional Compensation

IAS sales personnel' compensation includes a base salary plus variable sales compensation (which may include equity awards) earned based on achieving annual sales goals which are calculated using several components net cash flow attributable to new and existing Independent Advisors during a calendar year, as well as other factors. The amount of sales compensation IAS sales personnel can earn based on net cash flow varies by investment product and/or solution type. IAS sales personnel generally will earn more when SIMC and its affiliates realize a higher net revenue rate, meaning that in most cases our sales personnel will earn greater compensation on net cash flow invested in SEI Funds, SEI Managed ETFs and MAS, although certain MAS investments are compensated at lower rates than others. And, net cash flow attributable to assets invested into third party products and "Platform Only" assets held in custody at SPTC are compensated at lower rates than assets held in SEI Funds, SEI Managed ETFs and MAS.

IAS sales personnel working with Independent Advisors will also receive event compensation and sales awards based on SIMC's receipt of new assets through Client referrals to other products, services and solutions. Examples include referrals to SEI's Institutional business, SEI's Private Wealth Management business, SEI's Sphere® cybersecurity business, or Securities-Based Lending (SBL) accounts. This compensation model creates a conflict of interest because IAS sales personnel are incented to recommend investment products and services to Independent Advisors based on the sales compensation they can receive rather than on the Independent Advisor's Client's needs. However, SIMC believe this conflict is mitigated by the fact that SIMC employees do not recommend specific investment products to Clients, the fact that all programs are optional that an Advisor and/or Client may elect to use in their sole discretion, as well as other disclosures made specifically and explicitly regarding each program.

Please see [Item 14](#) for additional information concerning services and benefits SIMC and its affiliates provide to Independent Advisors. The IAS sales personnel who recommended the SBLOC Program to the Independent Advisor will receive a fixed one-time payment of \$75 dollars for each new SBLOC opened in the quarter and an additional \$250 for every fifth SBLOC opened in the same quarter as a result of the efforts of any single IAS sales personnel. The receipt of this compensation is a conflict of interest for the IAS sales personnel recommending the SBLOC Program. However, SIMC believe this conflict is mitigated as a result of the disclosures made about the Program, the nature of the payment (not based on success of an application) and the nominal amount of the fee paid as well as the fact that the program is an optional service that an Advisor and Client may elect to use in their sole discretion.



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

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

## Item 7 - Types of Clients

Please refer to [Item 4](#) for a description of the types of Clients to whom SIMC and IAS generally provide investment advice and services.

SIMC does not require a minimum account size for the services described in this Brochure, however, third-party sub-advisors and products available through our programs may require minimum investments, which vary. Please refer to the Wrap Brochure for additional detail on account size requirements.

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

### SIMC's Overall Investment Philosophy

SIMC's philosophy is based on five key components: asset allocation, portfolio design, sub-advisor 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.* SIMC's approach to asset allocation takes clients' goals into account, along with more traditional yardsticks like market indices and standard deviation. We believe that acknowledging and accounting for common behavioral biases while simultaneously harnessing the power of efficient portfolio construction can help investors maximize the chances of achieving their financial objectives. We also believe that constructing portfolios according to investors' major financial goals (such as retirement, education or lifestyle) and aligned with the risk tolerance associated with each of those objectives provides a greater understanding of how the goals and investments align. This should allow for a higher level of comfort with the overall investment strategy—thereby increasing the odds that investors will remain invested in the financial markets and focused on achieving their goals rather than making portfolio changes as a reaction to short-term market volatility. We believe that maintaining consistent exposure to the markets over time is the surest way to earn attractive returns, and that doing so with a goals-based approach should help investors achieve their financial goals. In constructing portfolios that correspond with a particular objective, we seek to deliver the maximum expected return available given the goal's risk tolerance. SIMC constructs multiple model portfolios to address a wide variety of client goals and dedicates 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 opportunities for returns in excess of the benchmark, across equity, fixed-income and alternative-investment portfolios. SIMC looks for potential 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.

*Sub-advisor Selection.* When it comes to security selection within client portfolios, SIMC operates primarily with multi-manager implementation, which means that SIMC typically hires sub-advisors (third-party and affiliated) to select individual securities. As a multi-manager, SIMC aims to identify, classify and validate manager skill when choosing sub-advisors. Differentiating manager skill from market-generated returns is one of SIMC's primary objectives, as it seeks to identify sub-advisors that it believes can deliver superior results over time. 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 sub-advisors 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 sub-advisors. The qualitative analysis focuses on a manager's investment philosophy, process, personnel, portfolio construction 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 Axioma, 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 sub-advisor assigned to the large-cap growth asset class.) This same manager research process is also the basis for the manager research services provided by SIMC.

*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 sub-advisors



implementing them. Based on SIMC's asset-class-specific analysis, as well as client's typical risk tolerances, SIMC sets strategic alpha source allocation targets at the investment product level. With certain exceptions, SIMC uses a multi-manager 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. We employ a multi-asset risk-management system to provide a consistent view of risk across asset classes—while preserving a distinct separation between risk oversight and portfolio management in order to preserve objectivity. The Risk Management team is responsible for determining whether the risks of SEI's investment strategies are consistent with their mandates. It reports directly to the head of the Investment Management Unit (IMU), which helps maintain impartiality and allows for direct access and support from senior management.

**Governance.** In an effort to remain unbiased, our governance structure is independent of portfolio management. It includes various oversight committees, which are each chaired by the head of Risk Management.

### **Manager Research Services**

SIMC offers various manager research services both within SIMC's MAS program and outside of such program as a stand-alone service. We discuss these services below.

1. **Research Fundamental to SIMC's Investment Management Services (Within SIMC's MAS program).** As a pioneer in the manager-of managers investment approach, a fundamental component of SIMC's core investment services is researching the available universe of third-party sub-advisor strategies and hiring only those sub-advisors meeting SIMC's criteria for specific asset classes as sub-advisors within SIMC's various managed account types, including as sub-advisors to the SEI Funds and foreign pooled funds, as well as making these manager strategies available in SIMC's sponsored MAS program (both U.S. and global). For the MAS program, SIMC conducts research on the universe of available sub-advisor strategies in order to select and retain sub-advisors SIMC believes are appropriate (or terminate if inappropriate) for the MAS program when SIMC is acting in a fiduciary capacity. And, on occasion SIMC may provide our manager research analysis to certain of our clients investing in this program when requested as part of the investment management services provided.
2. **Stand-Alone Research (Outside of SIMC's MAS program).** As an outgrowth of SIMC's competency in vetting sub-advisor strategies (as noted above), SIMC provides a service in which institutional clients (e.g., banks, large financial service providers, etc.) hire SIMC to conduct research on third-party investment manager strategies as requested by the institutional client. When providing "Stand-Alone Research Services," SIMC is not hired to act as a discretionary manager to the client, but rather to conduct investment research on any third party investment manager strategy as directed by the client and in accordance with the research agreement outlining the services provided. Generally, when providing Stand-Alone Research Services:
  - a. The levels of research SIMC conducts on a manager and the manager's investment strategy will vary based on the contracted level of services, but generally involves either a quantitative and/or qualitative review of the manager and its associated strategy, with written documentation commensurate with the level of service providing insights and, in all cases, summarizing SIMC's point of view on the manager strategy. Service levels generally differ as to the extent (or depth) of the research SIMC will conduct initially and

on-going on the manager strategies selected for research by a client as set forth in the applicable research agreement.

- b. On occasion, as part of the Stand-Alone Research Services, a client may request SIMC to provide research on a manager investment strategy that is currently used by SIMC within one or more of SIMC's managed investment programs where SIMC has hired the manager as a sub-advisor (e.g., the manager is a sub-advisor to an SEI Fund or available in MAS) (each, a "SIMC Contracted Strategy"). While the research output provided to the client about a SIMC Contracted Strategy may be the same as the output provided on a third-party manager strategy under the Stand-Alone Research Services, SIMC has conducted its deepest level of analysis on the SIMC Contracted Strategies because of its inclusion in SIMC's MAS program (or as sub-advisor to an SEI Fund) and a result of SIMC's familiarity with such SIMC Contracted Strategies. This research includes in depth initial and ongoing reviews of the manager's investment strategy and methodologies, investment personnel, business structure and compliance program. Accordingly, SIMC generally charges Stand-Alone Research Service clients a different fee (generally under a basis point fee schedule) when providing research on SIMC Contracted Strategies. As a result of the pricing model, such fees may be more (or less in some cases) than what SIMC charges clients for research on third-party manager strategies, regardless of the level of research output requested. This differentiated fee schedule is intended to reflect the additional initial and on-going research and due diligence conducted on SIMC Contracted Strategies, including services not generally provided in connection with the Stand-Alone Research Services. If our view of a SIMC Contracted Strategy changes (i.e., downgraded), this change may be reflected in our investment programs (e.g., manager termination/changes) prior to the time we notify research clients of the change in SIMC's view of the strategy.
- c. The level of research we conduct on third-party managers depends on client contracted service levels. As a result, if clients with different service levels request research on the same manager investment strategy, clients may receive different levels of analysis output, such as a more detailed manager reports versus shorter analysis summaries. However, in all cases research output includes SIMC's point of view of the strategy and changes by SIMC in this regard are communicated to all research clients at the same time.
- d. As part of the Stand-Alone Research Services a client may request SIMC to recommend investment strategies for specified asset classes when the client is adding an additional asset class to its investment program or the client is replacing a current manager's investment strategy (each, a "Recommended Strategy"). In many cases a Recommended Strategy may be available through several delivery methods, such as through separately managed accounts or through pooled vehicles, such as mutual funds sponsored or managed by the applicable investment manager. While SIMC does not normally consider an investment strategy's various delivery methods as part of the Research Services, if a client has informed SIMC that it prefers a pooled fund implementation, SIMC will limit its research universe to investment strategies available through a fund implementation. And, SIMC will also provide limited research on the available pooled vehicles. In some cases SIMC may not recommend an investment strategy that it would have otherwise recommended as a result of this product-level review, and will instead recommend a different investment manager's strategy available through a fund implementation.

- e. When recommending investment strategies as part of the Stand-Alone Research Services, to the extent an investment strategy meeting the client's requested asset class/investment style criteria is available, SIMC will first recommend a SIMC Contracted Strategy since SIMC has conducted its deepest level of analysis on the SIMC Contracted Strategies. If a Contracted Strategy does not meet the client's requested criteria, SIMC will then recommend a third party investment strategy based on SIMC's research of available investment strategies. In certain situations that vary based on how the customer chooses to implement a recommended Contracted Strategy, SIMC will earn compensation that it would not earn by recommending an investment strategy not available within SIMC's current investment programs. For instance, if the customer uses MAS or an SEI Fund to access the recommended Contracted Strategy, SIMC, and in some cases, SIMC's affiliates, would earn fees in addition to the Stand-Alone Research Service fees. Any additional compensation SIMC (or its affiliates) would earn as a result of any such recommendation is disclosed to the client at the time of the recommendation and any use of such recommended investment strategy remains solely with the client.
3. **Affiliates Model Platform Services.** SIMC's affiliates provide a technology and operational service platform to deliver to these institutional customers' manager strategy model data for manager strategies selected by such customers. While these investment models are selected by client independently, and not by SIMC, in many cases SIMC may have provided research on the investment strategies selected by the client under a research contract. In certain cases, SIMC and its affiliate may jointly contract with an institutional client to provide both Stand Alone Research and model delivery services. To the extent that a model platform client selects a SIMC Contracted Strategy for model, SIMC's affiliate providing model delivery services may agree to reduce or waive its model delivery platform service fee otherwise payable, as SIMC is already receiving model delivery information in connection with its own managed investment programs and, as noted above, generally charges clients more for research on SIMC manager strategies. This fee waiver may create an incentive for SIMC's client to select a SIMC Contracted Strategy over a non-SIMC Contracted Strategy as a result of the lower model platform delivery fee. SIMC informs clients, which are typically sophisticated financial intermediaries, of this fee structure when contracting with the client for model delivery services.
4. **SIMC's Affiliates Service Sub-Advisors.** SIMC's affiliates provide technology, operational and administrative services to a wide variety of financial service intermediaries, including sub-advisors that may be subject to research ratings by SIMC. While this business relationship could cause a potential conflict of interest by SIMC when rating a manager strategy, to mitigate any conflicts, each sub-advisor, regardless of whether it provides or receives the affiliated services noted above, is subject to SIMC's standard manager due diligence and selection process for the applicable SEIC program and/or strategy offering.

### 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, ETFs, hedge funds, closed-end funds, private equity funds, collective investment trusts, or managed accounts.

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 manages Collateralized Debt Obligations (“CDOs”) investments and Collateralized Loan Obligations (“CLO”) investments within certain investment products. CDOs and CLOs are securities backed by an underlying portfolio of debt and loan obligations, respectively. SIMC may also seek to achieve a 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 an 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 SIMC’s alternative 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 are invested directly in the target investments through a 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, international and emerging market ADRs, REITs, 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.

### **Investment Product 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 are implemented by third parties (e.g., unaffiliated investment advisors, banks, institutions or other intermediaries) through the use of SIMC 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 understand, accept and be prepared to bear.

Given the very wide range of investments in which a client’s assets may be invested, either directly by investing in individual securities and/or through one or more pooled investment vehicles or funds, there is similarly a very wide range of risks to which a client’s assets may be exposed. This Brochure does not include every potential risk associated with an investment strategy, or all of the risks applicable to a particular advisory account. Rather, it is a general description of the nature and risks of the strategies

and securities and other financial instruments in which advisory accounts may invest. 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, for a detailed description of the material risks of investing in a particular product, the client should, on or prior to investing, also refer to such product's prospectus or other offering materials.

Set forth below are certain material risks to which a client might be exposed in connection with SIMC's implementation of a strategy for client accounts:

**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.

**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. Securitization trusts generally do not have any assets or sources of funds other than the receivables and related property they own, and asset-backed securities are generally not insured or guaranteed by the related sponsor or any other entity. Asset-backed securities may be more illiquid than more conventional types of fixed-income securities that the portfolio may acquire.

**Below Investment Grade Securities (Junk Bonds) Risk** - Fixed income securities rated below investment grade (junk bonds) involve greater risks of default or downgrade and are generally more volatile than investment grade securities because the prospect for repayment of principal and interest of many of these securities is speculative. Because these securities typically offer a higher rate of return to compensate investors for these risks, they are sometimes referred to as "high yield bonds," but there is no guarantee that an investment in these securities will result in a high rate of return. These risks may be increased in foreign and emerging markets.

**Call Risk** - Issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. A portfolio may be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the portfolio's income. Bonds may be called due to falling interest rates or non-economic circumstances.

**Collateralized Debt Obligations (CDOs) and Collateralized Loan Obligations (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 in 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. For example, a liquidity crisis in the global credit markets could cause substantial fluctuations in prices for leveraged loans and high-yield debt securities and limited liquidity for such instruments. When a portfolio invests in CDOs or CLOs, in addition to directly bearing the expenses associated with its own operations, it may bear a pro rata portion of the CDO's or CLO's expenses. The impact of expenses is especially relevant when a portfolio invests in the lowest tranche (the "equity tranche") of a CDO or CLO. At the equity tranche level, expenses of a CDO or CLO may reduce distributions available to the portfolio before impacting distributions available to investors above the equity tranche and thereby disproportionately impact the portfolio's investment in such CDO or CLO.

**Convertible and Preferred Securities Risk** - Convertible securities are bonds, debentures, notes, preferred stock or other securities that may be converted into or exercised for a prescribed amount of common stock at a specified time and price. The value of a convertible security is influenced by changes in interest rates, with investment value typically declining as interest rates increase and increasing as interest rates decline, and the credit standing of the issuer. The price of a convertible security will also normally vary in some proportion to changes in the price of the underlying common stock because of the conversion or exercise feature. Convertible securities may also be rated below investment grade (junk bonds) or may not be rated and are subject to credit risk and prepayment risk. Preferred stocks are nonvoting equity securities that pay a stated fixed or variable rate dividend. Due to their fixed income features, preferred stocks provide higher income potential than issuers' common stocks, but are typically more sensitive to interest rate changes than an underlying common stock. Preferred stocks are also subject to equity market risk. The rights of preferred stocks on the distribution of a corporation's assets in the event of a liquidation are generally subordinate to the rights associated with a corporation's debt securities. Preferred stock may also be subject to prepayment risk.

**Corporate Fixed Income Securities Risk** - Corporate fixed income securities respond to economic developments, especially changes in interest rates, as well as to 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 or other investments denominated in, and/or receiving revenues in, foreign currencies a portfolio will be subject to currency risk. Currency risk is the risk that foreign 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 in the portfolio would be adversely affected. To the extent that a portfolio takes active or passive positions in securities denominated in foreign 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 Risk** - Depository receipts, such as American Depositary Receipts (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, tax, accounting and audit environments.

**Current Market Conditions Risk** - Current market conditions risk is the risk that a particular investment, or the market value of a portfolio's investments in general, may fall in value due to current market conditions. As a means to fight inflation, which remains at elevated levels, the Federal Reserve and certain foreign central banks have raised interest rates and expect to continue to do so, and the Federal Reserve has announced that it intends to reverse previously implemented quantitative easing. U.S. regulators have proposed several changes to market and issuer regulations that could directly impact a portfolio, and any regulatory changes could adversely impact a portfolio's ability to achieve its investment strategies or make certain investments. Recent and potential future bank failures could result in disruption to the broader banking industry or markets generally and reduce confidence in financial institutions and the economy as a whole, which may also heighten market volatility and reduce liquidity. The ongoing adversarial political climate in the United States, as well as political and diplomatic events both domestic and abroad, have and may continue to have an adverse impact on the U.S. regulatory landscape, markets and investor behavior, which could have a negative impact on a portfolio's investments and operations. Other unexpected political, regulatory and diplomatic events within the U.S. and abroad may affect investor and consumer confidence and may adversely impact financial markets and the broader economy. The economies of the United States and its trading partners, as well

as the financial markets generally, may be adversely impacted by trade disputes and other matters. If any geopolitical conflicts develop or worsen, economies, markets and individual securities may be adversely affected, and the value of a portfolio's assets may go down. The COVID-19 global pandemic, or any future public health crisis, and the ensuing policies enacted by governments and central banks have caused and may continue to cause significant volatility and uncertainty in global financial markets, negatively impacting global growth prospects. Advancements in technology may also adversely impact markets and the overall performance of a portfolio. These events, and any other future events, may adversely affect the prices and liquidity of a portfolio's investments and could result in disruptions in the trading markets.

**Depository Receipts Risk** - Depository receipts, such as American Depositary Receipts (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, tax, accounting and audit environments.

**Derivatives Risk** - A portfolio's use of futures contracts, forward contracts, 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. Many over-the-counter (OTC) derivatives instruments will not have liquidity beyond the counterparty to the instrument. 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 forward contracts 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. Some derivatives have the potential for unlimited loss, regardless of the size of the portfolio's initial investment. The other parties to certain derivative contracts present the same types of credit risk as issuers of fixed income securities. The portfolio's use of derivatives may also increase the amount of taxes payable by investors. Both U.S. and non-U.S. regulators have adopted and implemented regulations governing derivatives markets, the ultimate impact of which remains unclear.

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

**Equity Market Risk** - The risk that the market value of a security may move up and down, sometimes rapidly and unpredictably. Equity market risk may affect a single issuer, an industry, a sector or the equity or bond market as a whole. Equity markets may decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments that may cause broad changes in market value, public perceptions concerning these developments, and adverse investor sentiment or publicity. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term .

**Environment, Social and Governance Investment Criteria Risk** - If a portfolio is subject to certain environmental, social and governance (ESG) investment criteria it may avoid purchasing certain securities for ESG reasons when it is otherwise economically advantageous to purchase those securities, or may sell certain securities for ESG reasons when it is otherwise economically advantageous to hold those securities. In general, the application of portfolio's ESG investment criteria may affect the portfolio's exposure to certain issuers, industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these issuers, industries, sectors or geographic areas are in or out of favor. An adviser or vendor can vary materially from other ESG advisers and vendors with respect to its methodology for constructing ESG portfolios or screens,

including with respect to the factors and data that it collects and evaluates as part of its process. As a result, an adviser's or vendor's ESG portfolio or screen may materially differ from or contradict the conclusions reached by other ESG advisers or vendors with respect to the same issuers. Further, ESG criteria is dependent on data and is subject to the risk that such data reported by issuers or received from third party sources may be subjective, or may be objective in principal but not verified or reliable.

**Exchange-Traded Funds (ETFs) Risk (including leveraged ETFs)** - The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities or other instruments 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. Leveraged ETFs contain all of the risks that non-leveraged ETFs present. Additionally, to the extent the portfolio invests in ETFs that achieve leveraged exposure to their underlying indexes through the use of derivative instruments, the portfolio will indirectly be subject to leverage risk, described below. Leveraged Inverse ETFs seek to provide investment results that match a negative multiple of the performance of an underlying index. To the extent that the portfolio invests in Leveraged Inverse ETFs, the portfolio will indirectly be subject to the risk that the performance of such ETF will fall as the performance of that ETF's benchmark rises. Leveraged and Leveraged Inverse ETFs often "reset" daily, meaning that they are designed to achieve their stated objectives on a daily basis. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. These investment vehicles may be extremely volatile and can potentially expose a portfolio to significant losses. When a portfolio invests in an ETF, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. See also, "Exchange-Traded Products Risk", below.

**Exchange-Traded Products (ETPs) Risk** – The risks of owning interests of an ETP, such as an ETF, ETN or exchange-traded commodity pool, generally reflect the same risks as owning the underlying securities or other instruments that the ETP is designed to track. The shares of certain ETPs may trade at a premium or discount to their intrinsic value (i.e., the market value may differ from the net asset value of an ETP's shares). For example, supply and demand for shares of an ETF or market disruptions may cause the market price of the ETF to deviate from the value of the ETF's investments, which may be emphasized in less liquid markets. The value of an ETN may also differ from the valuation of its reference market or instrument due to changes in the issuer's credit rating. By investing in an ETP, in addition to directly bearing the expenses associated with its own operations, the portfolio indirectly bears the proportionate share of any fees and expenses of the ETP. Because certain ETPs may have a significant portion of their assets exposed directly or indirectly to commodities or commodity-linked securities, developments affecting commodities may have a disproportionate impact on such ETPs and may subject the ETPs to greater volatility than investments in traditional securities.

**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. Generally, fixed income securities will decrease in value if interest rates rise and vice versa. In a low interest rate environment, risks associated with rising rates are heightened. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. Markets for fixed income securities may decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments that may cause broad changes in market value, public perceptions concerning these developments, and adverse investor sentiment or publicity. Similarly, environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term. In response to these events, a portfolio's value may fluctuate.



**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, tax, accounting and audit environments. These additional risks may be heightened with respect to emerging market countries because political turmoil and rapid changes in economic conditions are more likely to occur in these countries. Investments in emerging markets are subject to the added risk that information in emerging market investments may be unreliable or outdated due to differences in regulatory, accounting or auditing and financial record keeping standards, or because less information about emerging market investments is publicly available. In addition, the rights and remedies associated with emerging market investments may be different than investments in developed markets. A lack of reliable information, rights and remedies increase the risks of investing in emerging markets in comparison to more developed markets. In addition, periodic U.S. Government restrictions on investments in issuers from certain foreign countries may require the portfolio to sell such investments at inopportune times, which could result in losses to the portfolio.

**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 because of 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.

**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, generally will fluctuate in response to changes in "real" interest rates, generally decreasing when real interest rates rise and increasing when real interest rates fall. Real interest rates represent nominal (or stated) interest rates reduced by the expected impact of inflation. In addition, interest payments on inflation-indexed securities will generally vary up or down along with the rate of inflation.

**Interest Rate Risk** - The risk that a change in interest rates will cause a fall in the value of fixed income securities, including U.S. Government securities in which the portfolio invests. Generally, the value of a portfolio's fixed income securities will vary inversely with the direction of prevailing interest rates. Changing interest rates may have unpredictable effects on the markets and may affect the value and liquidity of instruments held by a portfolio. 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.

**Investment Company Risk** - When a portfolio invests in an investment company, 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. In addition, while the risks of owning shares of an investment company generally reflect the risks of owning the underlying investments of the investment company, a 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 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. See also, "Exchange Traded Products (ETPs) Risk," above.

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

**Large Capitalization Risk** - The risk that larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Larger companies also may not be able to attain the high growth rates of successful smaller companies.

**Leverage Risk** - A portfolio's use of derivatives may result in the portfolio's total investment exposure substantially exceeding the value of its securities and the portfolio's investment returns depending substantially on the performance of securities that the portfolio may not directly own. The use of leverage can amplify the effects of market volatility on the portfolio's value 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. The portfolio's use of leverage may result in a heightened risk of investment loss.

**LIBOR and Other Benchmark Rates Risk** - London Inter-Bank Offered Rate (LIBOR) rates ceased being calculated as of June 30, 2023. Contracts whose value had previously been tied to a discontinued LIBOR rate now fall back to a corresponding Secured Overnight Financing Rate (SOFR) or synthetic U.S. dollar LIBOR rate. Transitioning away from LIBOR may affect the value, liquidity or return of an investment or result in administrative costs or delays.

**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 of the security, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on portfolio management or performance.

**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 the 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 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.

**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 a money market fund may seek to maintain a constant price per share of \$1.00, you may lose money by investing in the money market fund. A money market fund may experience periods of heavy redemptions that could cause the fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. This could have a significant adverse effect on the money market fund's ability to maintain a stable \$1.00 share price, and, in extreme circumstances, could cause the fund liquidate completely.

**Mortgage-Backed Securities Risk** - Mortgage-backed securities are affected significantly by the rate of prepayments and modifications of the mortgage loans backing those securities, as well as by other factors such as borrower defaults, delinquencies, realized or liquidation losses and other shortfalls. Mortgage-backed securities are particularly sensitive to prepayment risk, which is described below, given that the term to maturity for mortgage loans is generally substantially longer than the expected lives of those securities; however, the timing and amount of prepayments cannot be accurately predicted. The timing of changes in the rate of prepayments of the mortgage loans may significantly affect the portfolio's actual yield to maturity on any mortgage-backed securities, even if the average rate of principal

payments is consistent with the portfolio's expectation. Along with prepayment risk, mortgage-backed securities are significantly affected by interest rate risk, which is described above. In a low interest rate environment, mortgage loan prepayments would generally be expected to increase due to factors such as refinancing and loan modifications at lower interest rates. In contrast, if prevailing interest rates rise, prepayments of mortgage loans would generally be expected to decline and therefore extend the weighted average lives of mortgage-backed securities held or acquired by the portfolio.

**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 usually 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 repay principal and to make interest payments on securities owned by a portfolio. 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 that adversely affect issuers of municipal obligations than a portfolio that does not have as great a concentration in municipal obligations. Municipal obligations may be underwritten or guaranteed by a relatively small number of financial services firms, so changes in the municipal securities market that affect those firms may decrease the availability of municipal instruments in the market, thereby making it difficult to identify and obtain appropriate investments for the portfolio. 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 the portfolio. Any changes in the financial condition of municipal issuers also may adversely affect the value of the portfolio's securities.

**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. The portfolio 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.

**Options** – An option is a contract between two parties for the purchase and sale of a financial instrument for a specified price at any time during the option period. Unlike a futures contract, an option grants the purchaser, in exchange for a premium payment, a right (not an obligation) to buy or sell a financial instrument. An option on a futures contract gives the purchaser the right, in exchange for a premium, to assume a position in a futures contract at a specified exercise price during the term of the option. The seller of an uncovered call (buy) option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing securities to satisfy the exercise of the call option can itself cause the price of the securities to rise further, sometimes by a significant amount, thereby exacerbating the loss. The buyer of a call option assumes the risk of paying an entire premium in the call option without ever getting the opportunity to execute the option. The seller (writer) of a covered put (sell) option (e.g., the writer has a short position in the underlying security) will suffer a loss if the increase in the market price of the underlying security is greater than the premium received from the buyer of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of paying an entire premium in the put option without ever getting the opportunity to exercise the option. An option's time value (i.e., the component of the option's value that exceeds the in-the-money amount) tends to diminish over time. Even though an option may be in-the-money to the buyer at various times prior to its expiration

date, the buyer's ability to realize the value of an option depends on when and how the option may be exercised. For example, the terms of a transaction may provide for the option to be exercised automatically if it is in-the-money on the expiration date. Conversely, the terms may require timely delivery of a notice of exercise, and exercise may be subject to other conditions (such as the occurrence or non-occurrence of certain events, such as knock-in, knock-out or other barrier events) and timing requirements, including the "style" of the option. Risks associated with options transactions include: (i) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (ii) there may be an imperfect correlation between the movement in prices of options and the securities underlying them; (iii) there may not be a liquid secondary market for options; and (iv) though a portfolio will receive a premium when it writes covered call options, it may not participate fully in a rise in the market value of the underlying security.

**Overlay Risk** - To the extent that a client's portfolio is implemented through an overlay manager, it is subject to the risk that its performance may deviate from the performance of a sub-advisor's model or the performance of other proprietary or client accounts over which the sub-advisor retains trading authority ("Other Accounts"). The overlay manager's variation from the sub-advisor's model portfolio may contribute to performance deviations, including under performance. The overlay manager will vary from a model portfolio to, among other reasons, implement tax management strategies, as applicable, and security restrictions. The overlay manager is restricted from purchasing certain securities due to the issuer's affiliation with SEI or the overlay manager, or due to the overlay manager's compliance with laws, regulations, and policies that apply to the business activities of its affiliates. In addition, a sub-advisor may implement its model portfolio for its Other Accounts prior to submitting its model to the overlay manager. In these circumstances, trades placed by the overlay manager pursuant to a model portfolio may be subject to price movements that result in the client's portfolio receiving prices that are different from the prices obtained by the sub-advisor for its Other Accounts, including less favorable prices. The risk of such price deviations may increase for large orders or where securities are thinly traded.

**Portfolio Turnover Risk** - To the extent that a portfolio buys and sells securities frequently, such activity may result in higher transaction costs and taxes subject to ordinary income tax rates as opposed to more favorable capital gains rates, which may 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.

**Prepayment Risk** - The risk that, in a declining interest rate environment, 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, including interests in private equity and hedge funds, 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, the carrying value of such securities 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 investor protection requirements that might be applicable if their securities were publicly traded.

**Quantitative Investing** - A quantitative investment style generally involves the use of computers to implement a systematic or rules-based approach to selecting investments based on specific measurable factors. Due to the significant role technology plays in such strategies, they carry the risk of unintended or unrecognized issues or flaws in the design, coding, implementation or maintenance of the computer programs or technology used in the development and implementation of the quantitative strategy. These issues or flaws, which can be difficult to identify, may result in the implementation of a portfolio that is different from that which was intended, and could negatively impact investment returns. Such risks

should be viewed as an inherent element of investing in an investment strategy that relies heavily upon quantitative models and computerization. Utility interruptions or other key systems outages also can impair the performance of quantitative investment strategies.

**Reallocation Risk** - SIMC constructs and maintains global asset allocation strategies for certain clients, and the SEI funds are designed in part to implement those Strategies. Within the Strategies, SIMC periodically adjusts the target allocations among the mutual funds to ensure that the appropriate mix of assets is in place. SIMC also may create new Strategies that reflect significant changes in allocation among the mutual funds. Because a significant portion of the assets in the mutual funds may be attributable to investors in Strategies controlled or influenced by SIMC, this reallocation activity could result in significant purchase or redemption activity in the mutual funds. Although reallocations are intended to benefit investors that invest in the mutual funds through the Strategies, they could, in certain cases, have a detrimental effect on the mutual funds. Such detrimental effects could include: transaction costs, capital gains and other expenses resulting from an increase in portfolio turnover; and disruptions to the portfolio management strategy, such as foregone investment opportunities or the inopportune sale of securities to facilitate redemptions.

**Real Estate Industry Risk** - Securities of companies principally engaged in the real estate industry may be subject to the risks associated with 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 risks associated with legislative or regulatory changes, adverse market conditions and/or increased competition affecting that industry.

**Real Estate Investment Trusts (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 is discussed above. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of properties.

**Sampling Risk** - With respect to investments in index funds or a portfolio designed to track the performance of an index, a fund or portfolio may not fully replicate a benchmark index and may hold securities not included in the index. As a result, a fund or portfolio may not track the return of its benchmark index as well as it would have if the fund or portfolio purchased all of the securities in its benchmark index.

**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 capitalization companies may have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small capitalization and medium capitalization stocks may be more volatile than those of larger companies. Small capitalization and medium capitalization stocks may be traded over the counter (OTC). OTC stocks may trade less frequently and in smaller volume than exchange-listed stocks and may have more price volatility than that of exchange-listed stocks.

**Taxation Risk** - SIMC does not represent in any manner that the tax consequences described as part of its tax-management techniques and strategies will be achieved or that any of SIMC's tax-management techniques, or any of its products and/or services, will result in any particular tax consequence. Unless otherwise disclosed, tax-management techniques are limited to, and take into consideration only, the securities held within the individual client account managed by SIMC. The impact of such tax management techniques and strategies may be reduced or eliminated as a result of securities and trading activities in other accounts owned by client, including other client accounts managed by SIMC. The tax consequences of the tax-management techniques, including those intended to harvest tax losses, and other strategies that SIMC may pursue are complex and uncertain and may be challenged by the IRS. A portfolio that is managed to reduce tax consequences to Clients will likely still earn taxable income and gains from time

to time, including income subject to the Alternative Minimum Tax. In certain instances, when harvesting losses from the sale of an ETF or mutual fund (Original Fund), SIMC may seek to avoid a wash sale while maintaining exposure to the desired asset class. SIMC may do so through the purchase of another ETF or mutual fund (Secondary Fund). Certain strategies may require SIMC to sell the Secondary Fund upon the expiration of the wash-sale period and return to the Original Fund, which may result in a short-term gain. Such gain may exceed harvested losses. Certain strategies may also require SIMC to redeem from an Original Fund when a suitable fund becomes available from a specified fund family, which may result in short- or long-term gains. 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. To the extent a portfolio invests in ETFs, mutual funds or other pooled products, you should review the applicable prospectus or offering document for additional tax disclosure, including relevant risks. Neither SIMC nor its affiliates provide tax advice.

**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 investments and the components of the index and other factors.

**Underlying Funds Risk** - With respect to portfolios that invest in underlying funds, additional investment risk exists because the value of such investments is based primarily on the performance of the underlying funds. Specifically with respect to alternative funds, the entity's sponsors will make investment and management decisions. Therefore, an underlying fund's returns are dependent on the investment decisions made by its management and the portfolio will not participate in the management or control the investment decisions of the alternative fund. Further, the returns on a portfolio may be negatively impacted by liquidity restrictions imposed by the governing documents of an alternative fund such as "lock-up" periods, gates, redemption fees and management's ability to suspend redemptions (in certain cases). Such lock-up periods, gates or suspensions may restrict the portfolio's ability to exit from an alternative fund in accordance with the intended business plan and prevent the portfolio from liquidating its position upon favorable terms. All of these factors may limit the portfolio's return under certain circumstances.

**U.S. Government Securities Risk** - Although U.S. Government securities are considered to be among the safest investments, they are still subject to the credit risk of the U.S. Government and 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. No assurance can be given that the U.S. Government will provide financial support to its agencies and instrumentalities if it is not obligated by law to do so.

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

## Item 9 - Disciplinary Information

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

## Item 10 - Other Financial Industry Activities and Affiliations

SIMC, which is an indirect, wholly owned subsidiary of SEIC, hires 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 Managers and Sub-Advisors

As a manager-of-managers, SIMC hires sub-advisors to provide day-to-day securities selection for many of its investment products. SIMC has hired an affiliated advisor, LSV Asset Management (“LSV”), to serve as sub-advisor to some of SIMC’s investment products. Specifically, SIMC’s parent company, SEIC, maintains a minority ownership interest (approximately 39% as of December 31, 2023) in LSV, which is a sub-advisor in the Funds and MAS. To mitigate this conflict of interest, each sub-advisor, regardless of whether it provides or receives the affiliated services noted above, is subject to SIMC’s standard manager due diligence and selection process for the applicable program and/or strategy offering. Additionally, to the extent LSV is managing SEI Fund assets, it is subject to the same Board of Trustees approval process as non-affiliated sub-advisors and the affiliation is disclosed in the SEI Fund prospectuses.

SIMC also hires 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 has 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 conducts the same due diligence on all sub-advisors regardless of whether they provide other services to SIMC’s affiliates and partners.

Additionally, some of the sub-advisors that SIMC selects for its Funds and MAS, and some of the managers reviewed for our Manager Research Services described in [Item 8](#), are also customers of SEIC for other services and products (e.g., technology solutions, middle and back office platform solutions, turn-key pooled product solutions) for which SIMC’s affiliates are compensated, which could influence SIMC’s decisions when recommending or retaining sub-advisors. To mitigate these conflicts of interest, each sub-advisor, regardless of whether it provides or receives the affiliated services noted above, is subject to SIMC’s standard manager due diligence and selection process for the applicable SEI program and/or strategy offering. Also, potential conflicts identified are raised to the Board of Trustees of the SEI Funds or to SIMC’s compliance team 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 Managed ETFs, SEI Alternative Funds, and collective investment funds (each of which is offered to clients through a separate market unit). Additionally, SIMC is the sponsor to, and the advisor of managed accounts, including MAS. 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. However, SIMC generally, and to the extent required by the Employee Retirement Income Security Act of 1974 (“ERISA”) and other applicable law, will offset or credit any advisory fees earned by SIMC with respect to a client’s investment in an underlying investment product against that Client’s account level fee.

### SEI Proprietary Funds

Other affiliates of SIMC provide various services to the SEI Funds and SEI Managed ETFs (including subsidiaries of such funds), for which they 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 and SEI Managed ETFs. SIDCO and SPTC also provide shareholder services with respect to the SEI Funds and SEI Managed ETFs. SIMC, SGFS,



SIDCO and SPTC receive fees from the SEI Funds determined as a percentage of the SEI Fund's total assets and, SIMC receive fees from the SEI Managed ETFs determined as a percentage of the SEI Fund's total assets and out of these assets pays the fees of the funds' other service providers, including to SIMC affiliates. Therefore, to the extent that SIMC recommends that a client invests in the SEI Funds or SEI Managed ETFs, SIMC's affiliates benefit from the investment in the SEI Funds and SEI Managed ETFs. To the extent that a particular investment is suitable for a Client, if applicable, such investments will be allocated in a manner which SIMC determines is fair and equitable under the circumstances in respect to all of its other clients.

Some SEI Funds are "funds-of-funds," meaning that an SEI Fund will invest in underlying funds, which in most cases will be other SEI Funds. When an SEI Fund invests in underlying SEI Funds, SIMC is advisor to both the fund-of-funds and the underlying SEI Funds and is paid an advisory fee by both Funds. As a result, SIMC could select those underlying SEI Funds that pay higher advisory fees to SIMC. To mitigate this risk, the SEI Funds are overseen by the SEI Funds' Board of Trustees, which ensures that SIMC 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 or collateral from the borrower. Currently the SEI Funds reinvest that cash or collateral into a Pooled Investment Vehicle managed by SIMC. This lending activity takes place within each participating SEI Fund portfolio and not in a client's individual account. SIMC and its affiliate are paid fees for the management and administration of the collateral investment pool and, consequently, have an incentive to lend securities and/or use the collateral investment pool in order to generate more fees. 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 or director to several of the SEI Alternative Funds. SEI Global Services, Inc. or SEI Investments Global (Cayman) Limited also serves as administrator and transfer agent to certain 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 invests certain client's assets (to the extent they are eligible). SIMC also acts as an investment advisor to STC, and SITA as transfer agent, with respect to the various collective trust funds offered by STC.

### **Non-U.S. Investors**

SIMC serves as investment advisor to proprietary Irish-regulated UCITS Funds (and other alternative funds), which are sold to non-U.S. investors. SIMC also serves as sub-advisor to several proprietary Canadian-registered mutual funds to which SIMC's affiliates serve as advisor.

### **Affiliated Custodian and Cash Management Services**

In almost all cases IAS Clients are required to custody their accounts at SIMC's affiliate, SPTC, a limited purpose federal savings association. SPTC charges the Client a fee for these services as set forth in SPTC's custodial agreement with the Client. SPTC's services may be provided to Clients at a discounted rate or without additional charge and such discounts may be based on IAS's relationship with the Independent Advisor. In connection with providing shareholder services to Clients invested in the SEI Funds, SPTC generally receives a shareholder service fee from the SEI Funds for providing those services, although SPTC may reduce or waive its custodial fees on Client's holding of these funds. To the extent that SIMC serves as investment adviser in connection with strategies investing in SEI Funds, SPTC's receipt of these

shareholder service fees represents a conflict of interest for SIMC in that due to SPTC's receipt of such fees SIMC has an incentive to select SEI Funds over non-proprietary funds.

SEI Integrated Cash Program and Conflicts of Interest. IAS Client accounts custodied at SPTC must participate in the SEI Integrated Cash Program. No other cash management programs are available to Client accounts custodied at SPTC.

The SEI Integrated Cash Program has two tiers. In the first tier ("Insured Deposit Cash"), all cash in the account up to 1% of the account's value will be invested into deposit accounts eligible for insurance by the FDIC ("FDIC Sweep"). FDIC Sweep amounts are deposited through a network of individual "Sweep Banks." These deposits are eligible for FDIC insurance up to the maximum amount permitted by the FDIC, currently \$250,000 for all deposits held in the same ownership category at each Sweep Bank.

In the second tier, all cash in the account in excess of the first 1% of account value that is held in Insured Deposit Cash (e.g., uninvested cash pending investment or distribution) is invested into sweep class shares of the SEI Daily Income Trust Government Fund, a money market mutual fund (the "Sweep Fund"). It is important for Clients to understand that cash balances in the Sweep Fund are not eligible for FDIC insurance. As explained below, both tiers of the SEI Integrated Cash Program result in financial benefits to SPTC, with the Insured Deposit Cash tier being more beneficial to SPTC in most circumstances. As also explained below, the Sweep Fund tier results in additional financial benefits to SPTC's affiliates, including SIMC.

**Insured Deposit Cash Tier.** Client participation in Insured Deposit Cash results in significant financial benefits for SPTC and its affiliates. SPTC receives compensation from the Sweep Banks in connection with maintaining the FDIC Sweep (the "Bank Sweep Fee"). The Bank Sweep Fee charged by SPTC is not based on SPTC's costs in connection with maintaining the Program and is in addition to other compensation received by SPTC (and its affiliates) with respect to your account. A committee made up of individuals that serve as SPTC and SIMC employees or officers (the "Interest Rate Committee") has sole discretion to set the Bank Sweep Fee, and thus SPTC and SIMC directly determine how much of the interest the banks pay on Insured Deposit Cash to Clients and how much SPTC retains as Bank Sweep Fee compensation. This discretion in setting the Bank Sweep Fee creates a conflict between the interests of Clients and the interests of SPTC and SIMC, in that the Interest Rate Committee's determination of the Bank Sweep Fee affects the interest Clients earn on their Insured Deposit Cash. The higher the Bank Sweep Fee paid to SPTC, the lower the interest paid by the Sweep Banks to Clients; the lower the Bank Sweep Fee paid to SPTC, the higher the interest paid by the Sweep Banks to Clients.

As described earlier in this brochure, in connection with servicing accounts, SPTC requires a minimum of 1% of a Client's account to be invested in the SEI Integrated Cash Program. Clients cannot opt out of this requirement when custodizing assets at SPTC. As a result, a Client whose account is custodied at SPTC will have 1% of their account invested in Insured Deposit Cash. In most cases, SIMC's model allocations, including all accounts invested in MAS, reflect this cash requirement. This 1% minimum investment requirement results in conflicts of interest for SPTC and SIMC. In particular, because the amount of the Bank Sweep Fee SPTC receives is based on the amount of Client assets invested in Insured Deposit Cash, SPTC and SIMC have an incentive to set the minimum cash requirement at a level that maximizes revenue for SPTC. Furthermore, because there are no cash sweep options other than Insured Deposit Cash for the first 1% of the Client's cash allocation, Clients and Independent Advisors will not be able to invest these assets in cash sweep vehicles that generate less revenue for SPTC and/or return higher investment yields to Clients.

The Bank Sweep Fee is in addition to the fees earned by SPTC (and its affiliates) with respect to the Sweep Fund and other SEI Funds.

The Bank Sweep Fee may be up to a maximum of the Federal Funds Target Rate (as can be found online at <https://fred.stlouisfed.org/series/DFEDTARU>) plus 0.25% as determined by the total deposit balances at all of the Sweep Banks over a 12-month rolling period. Additionally, the third-party administrator of

the FDIC Sweep (the “FDIC Sweep Administrator”) is paid fees by: (1) SPTC on a portion of the FDIC Sweep balances; and (2) Sweep Banks on the remaining portion of FDIC Sweep balances. SPTC also pays the bank maintaining the deposit account that initially settles deposits to the deposit accounts (the “Settlement Bank”) for the banking services it provides. Absent unusual circumstances, SPTC generally receives the majority of the amount paid by the Sweep Banks with respect to Insured Deposit Cash. Depending on interest rates and other factors, the interest to your account from the FDIC Sweep may be lower than the aggregate fees received by SPTC for your participation in the FDIC Sweep. This can result in your account experiencing negative overall investment return with respect to your Insured Deposit Cash.

The Bank Sweep Fee is an important and significant source of revenue to SPTC and, indirectly, to SEIC. SPTC can raise and reduce its Bank Sweep Fee in its discretion. The amount of interest and fees the Sweep Banks are willing to pay varies, and is expected to continue to vary, from participating Sweep Bank to Sweep Bank. This creates a conflict for SPTC when selecting participating Sweep Banks in that it incentivizes SPTC (and the FDIC Sweep Administrator) to select and allocate Insured Deposit Cash to Sweep Banks that pay higher all-in rates. Participating Sweep Banks may also be clients of SPTC, creating an incentive to favor those banks over banks that are not clients of SPTC, resulting in a conflict of interest.

The Bank Sweep Fee paid to SPTC can be greater or less than compensation paid to other platform custodians (who provide similar account-type services) with regard to cash sweep vehicles. The interest rate your Insured Deposit Cash earns can be lower than interest rates available to depositors making deposits directly with the same bank or with other depository institutions. Banks have a conflict of interest with respect to setting interest rates and do not have a duty to provide the highest rates available on the market and may instead seek to pay a low rate; lower rates are more financially beneficial to a bank. There is no necessary linkage between the FDIC Sweep’s rate of interest and other rates available in the market, including money market mutual fund rates or the returns currently available in connection with the Sweep Fund.

SPTC expects the Bank Sweep Fee it receives from Sweep Banks to be at a significantly higher rate than any service fee it will receive from money market mutual funds (or their service providers), including the Sweep Fund. In addition, in most interest rate environments, it is expected that deposits held as part of the FDIC Sweep will pay a significantly lower interest rate to you than the Sweep Fund and other cash equivalent products that your Independent Advisor may choose in investing other portions of your account. This is a conflict of interest for SPTC in that SPTC expects to receive significantly greater compensation on Clients’ Insured Deposit Cash than it would on equivalent amounts held in the Sweep Fund and other available investments. This conflict influences SPTC to require that a portion of Clients’ accounts be invested in the SEI Integrated Cash Program generally, and Insured Deposit Cash instead of the Sweep Fund in particular.

For accounts not subject to a wrap fee, all applicable account-level advisory fees (including SIMC advisory fees and your Independent Advisor’s advisory fee) are assessed on 100% of the value of account assets on an ongoing basis, even though the amounts held in the SEI Integrated Cash Program do not receive any investment advisory or brokerage services. (They do receive administrative and custodial services.) In addition, accounts not subject to a wrap fee are not assessed SPTC’s custody fee with respect to amounts allocated to Insured Deposit Cash. For accounts subject to a wrap fee, amounts held in Insured Deposit Cash are not assessed the wrap fee. In some low interest-rate environments, applicable fees can exceed the amount of interest paid on the amounts held in the SEI Integrated Cash Program.

**Sweep Fund Tier.** SPTC, SIMC and their affiliates receive economic benefit for shares held in the Sweep Fund. The fee paid to SPTC is for shareholder servicing and other services with respect to amounts invested in the Program. SIMC (and its affiliates) receive advisory, administrative and other fees from (and with respect to) investments in the Sweep Fund. SPTC, SIMC and their affiliates would not typically receive these fees in connection with direct investments or investments in unaffiliated mutual funds, and as a result, these fees create an incentive to select the Sweep Fund as the second tier for the SEI

Integrated Cash Program instead of other money market funds that do not pay these fees. Available Client account cash balances in excess of the amounts allocated to the FDIC Sweep will generally be swept into the Sweep Fund. As a result of the fees SPTC, SIMC and their affiliates receive in connection with the Sweep Fund, there is an incentive for SPTC and SIMC to require that available cash balances in excess of the amounts allocated to the FDIC Sweep are swept into the Sweep Fund. Due to these fees, SPTC and SIMC realize more benefits as more of the assets in your Account are allocated the Sweep Fund. Furthermore, the longer client assets are held in the Sweep Fund, the greater the fee revenue SPTC, SIMC and its affiliates receive.

Additional information on the SEI Integrated Cash Program, including current interest rates associated with Insured Deposit Cash and the SEI Integrated Cash Program Disclosure Document, can be found at [seic.com/InsuredDepositCash](http://seic.com/InsuredDepositCash). SPTC deliver the SEI Integrated Cash Program Disclosure Document to Clients at or prior to the time they begin participating in the SEI Integrated Cash Program and Client should refer to that document for more information on the program and how it operates. Additional copies can be obtained from your Independent Advisor upon request.

SPTC may also provide trust, custody and/or record-keeping services to SIMC's other clients, including some of the Pooled Investment Vehicles. Please see [Item 5](#) for additional information on fees.

IAS, through SPTC and/or its affiliates' arrangements with participating third party financial and lending institutions and technical interfaces available through the SEI Wealth Platform, offers the SBLOC Program to Independent Advisors for use with their Clients. The SBLOC Program allows Independent Advisors working with their Clients to submit a Client's SBLOC application directly to one of the SBLOC Program's participating financial and lending institutions where, if approved by the participating financial and lending institution, the SBLOC is secured by assets held in the applicable Client's custodial account at SPTC. SBLOC Program functionality and processes are incorporated into the SWP Platform and provide operational and administrative efficiencies to Independent Advisors and their Clients that are not available when an Independent Advisor and its Clients works with a third party financial and lending institution not participating in the SBLOC Program. SPTC and/or its affiliates do not provide lending services and each SBLOC Program participating financial and lending institution independently establishes criteria for loan approval and loan terms (e.g., loan amount, lending rates, other loan terms, etc.). Each participating financial and lending institution contracts directly with an Independent Advisor's Client once approved by such financial and lending institution for an SBLOC. SPTC and/or its affiliates receive compensation from the SBLOC Program participating financial and lending institutions based on funded SBLOC loans, which payments create a conflict of interest for IAS and SIMC personnel to promote the SBLOC Program to Independent Advisors. SPTC and/or its affiliates do not receive these fees when a Client works with a third party financial and lending institution outside of the SBLOC Program for similar services. SIMC believe this conflict is mitigated by the fact that the SBLOC Program is an optional service that an Independent Advisor working directly with its Clients may determine to use in their sole discretion; (ii) Independent Advisors are not compensated by SIMC, SPTC, or their affiliates when Clients participate in the SBLOC Program, (iii) Independent Advisors and their Clients may elect to work with third party financial and lending institutions to receive similar services outside of the program (but without the operational and technical support provided by IAS within the program); and (iv) SPTC requires participating financial and lending institution SBLOC application materials to include disclosures about the payments made to SPTC.

#### **Affiliated Broker-Dealer**

SIMC or sub-advisors will execute certain brokerage transactions using SIMC's affiliated broker-dealer, SIDCO and, as noted in the Wrap Brochure. SIDCO also receives shareholder service, administration service and/or distribution fees from the SEI Funds, portions of which are paid by SIDCO to affiliates or third parties that provide such services. SIDCO also receives distribution or creation unit servicer fees from certain third-party ETFs and their sponsors when providing services to those firms under services agreements between SIDCO and such firms. A conflict of interest exists because SIDCO may earn additional fees to the extent that such ETFs are purchased by an SEI Fund or as part of MAS. SIMC

anticipates that any resultant increase in fees payable to SIDCO would be immaterial. In addition, certain SIMC employees are also registered representatives of SIDCO. Such individuals do not receive additional compensation by virtue of their role with SIDCO. See [Items 4](#) and [12](#) for additional information on SIMC's use of broker-dealers, including SIDCO.

### **Commodity Pool Operator**

SIMC is registered as a Commodity Pool Operator ("CPO") with the Commodities Futures Trading Commission ("CFTC"), and certain SIMC employees are registered with the CFTC as Principals and/or Associated Persons.

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

### Code of Ethics and Personal Trading

When SIMC employees have access to nonpublic information, conflicts may arise between the interests of the employee and those of a client. For example, a SIMC employee could gain information on the purchase or sale of securities by a 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 owes a duty of loyalty to clients, which requires that a SIMC employee must always place the interests of clients first and foremost and shall not take inappropriate advantage of his/her position. Thus SIMC personnel must conduct themselves and their personal securities transactions in a manner that does not create conflicts with the firm.

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. Under the SIMC Code of Ethics, SIMC employees that are characterized as Access Persons and their family members with whom they reside must disclose personal securities holdings and personal securities transactions. Access Persons are SIMC employees that have access to non-public information regarding any client's purchase or sale of securities or who are involved in making, or have non-public access to, securities recommendations to clients. Access Persons are also subject to certain trade pre-clearance and reporting standards for their personal securities transactions. Additionally, certain Access Persons may not purchase or sell, directly or indirectly, any "Covered Security" (which is defined in the Code of Ethics) within 24 hours before or after the time that the same Covered Security is being purchased or sold in any SIMC client account. Some Access Persons may not purchase or sell such securities within seven days of a transaction for a SIMC client account. Certain Access Persons 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, Access Persons may not acquire securities as part of an initial public offering or a private placement transaction without the prior consent of SIMC Compliance. The Code of Ethics also includes provisions relating to the confidentiality of client information and market timing, and also incorporates SEIC'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 upon hire and annually.

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 or 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 ensure 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 seek to 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](mailto:SIMCCompliance@seic.com) or sending a request to: SEI Investments Management Corporation, Attn: SIMC Compliance, One Freedom Valley Drive, Oaks, PA 19456.

## Participation or Interest in Client Transactions

As explained above, among its other recommendations, SIMC recommends its Clients invest in Pooled Investment Vehicles to which SIMC also serves as investment advisor and its affiliates may provide other services when SIMC believes such recommendation is appropriate for the Client. For example, SIMC, as investment manager to a Client, may recommend that they invest in the SEI Funds, SEI Managed ETFs, SEI Alternative Funds, or a managed account, where SIMC also serves as investment advisor and receives a fee for those services. This creates a conflict of interest whereby SIMC has a financial incentive to recommend an unsuitable SIMC investment product to a SIMC client in order for SIMC and its affiliates to receive additional fees. SIMC discloses its fees in the offering documents for each Pooled Investment Vehicle.

In addition, when SIMC and/or its affiliates have a material pecuniary interest in either the SEI Funds or SEI Alternative Funds (“Interested Vehicle”), a conflict of interest may exist whereby SIMC has an additional financial incentive to ensure that such Interested Vehicle performs well to increase its return on investment. Furthermore, SIMC and its portfolio managers have an incentive to allocate investment opportunities to such Interested Vehicle in a way that favors SIMC and its affiliates over the interest of its clients and other investors. Notwithstanding these conflicts of interest, SIMC may aggregate transactions of an Interested Vehicle with other SEI Pooled Investment Vehicles as long as SIMC has determined pursuant to its allocation procedures that participation by such SEI Pooled Investment Vehicles is fair and equitable.

Further, SIMC may aggregate transactions for an Interested Vehicle and an SEI Fund involving private placement securities as long as the only negotiated term for such private placement securities is price. SIMC has adopted trade aggregation procedures (“Aggregation Procedures”) designed to ensure that aggregated transactions are made in a manner that is fair and equitable to, and in the best interests of, the SEI Fund and any other participating SEI Pooled Investment Vehicles. The Aggregation Procedures require the portfolio manager of each participating SEI Pooled Investment Vehicle to review the Vehicle's investment objectives, investment restrictions, cash position, need for liquidity, sector concentration, and other objective criteria and to determine whether a purchase or sale of a private placement security is an appropriate transaction. The Aggregation Procedures require that each participating SEI Pooled Investment Vehicle receive individualized investment advice and treatment. The portfolio manager will document how private placement securities or proceeds from an aggregated sale of such securities will be allocated among participating Vehicles (“Allocation Statement”). If there is a sufficient amount of private placement securities, in the case of a purchase, or proceeds, in the case of a sale, to satisfy all participants, the securities or proceeds will be allocated among the participants as documented by the portfolio manager. If there is an insufficient amount of private placement securities or sale proceeds to satisfy all participants, the securities or proceeds will be allocated pro rata, based on the allocation that each of the participants would have received if there was a sufficient amount of securities or proceeds and such distribution of securities or proceeds may only be allocated on a basis different from that specified in the Allocation Statement if all participants receive fair and equitable treatment.

SIMC and its affiliates in some instances 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 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 affects cross-transactions in which SIMC affects 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). To the extent permitted by law,

SIDCO may act as a broker, and may receive a commission. The client may revoke SIMC's cross-transaction authority at any time upon written notice to SIMC.



## Item 12 - Brokerage Practices

### Broker Selection

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

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

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

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

### Affiliated Brokerage

SIMC and SIMC appointed sub-advisors use SIMC's affiliated broker-dealer, SIDCO, for various services for its clients, which are described below. Other than trading in the SEI Funds and SEI Managed ETFs, MAS, the Sub-Advised Program (including Gateway Models) or other accounts where SIMC has investment discretion, it is the applicable portfolio manager's decision whether to execute a particular securities transaction using SIDCO. SIMC discloses the use of its affiliated broker-dealer in the investment management agreement that clients sign with SIMC for services. 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.

#### 1. SEI Proprietary Funds

Generally, portfolio transactions in the SEI Funds are effected by sub-advisors pursuant to each sub-advisor's own brokerage policies and practices and may elect to execute trades through SIDCO. SIMC effects trades in the SEI Managed ETFs and, in certain situations, the SEI Funds. SIMC, and sub-advisors electing to do so, execute trades through SIDCO for the SEI Funds and SEI Managed ETFs, subject to the

duty to obtain best execution and to applicable law. Generally, under these provisions, SIDCO is permitted to receive and retain compensation for effecting portfolio transactions if such compensation does not exceed “usual and customary” brokerage commissions. SIMC's brokerage discretion practices with respect to the SEI Funds are reviewed at least annually by the SEI Funds' Board of Trustees and in compliance with Section 17(e) (1) of the Investment Company Act of 1940, as amended. The following are examples of situations where portfolio trades in the SEI Funds may be executed through SIDCO.

**a. Manager Transitions**

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

**b. Trading for SEI Managed ETFs and SEI Funds' Internally Managed Equity Portfolios**

In connection with internally managed equity portfolios and all trading in the SEI Managed ETFs, SIMC executes those trades through SIDCO as introducing broker, using one of the executing brokers that are available through SIDCO. As with the transition management trades, SIMC generally expects that SIDCO will serve as introducing broker on all such equity trades. There is an inherent conflict of interest in SIMC's use of SIDCO for trading. SIMC may be motivated to pay a higher commission for trades involving SIDCO compared to a third party broker. This conflict is mitigated by SIMC's duty to seek best execution.

**c. Sub-Advisor Trading Through SIDCO**

Sub-advisors to certain SEI Funds may execute a portion of an SEI Fund's portfolio transactions through SIDCO. These relationships may involve soft dollar trading or execution only arrangements. The commission rate is negotiated between the sub-advisor and SIDCO. SIMC neither encourages nor discourages sub-advisors from trading through SIDCO, and does not take such trading into consideration in determining whether to recommend that a manager be hired or terminated. All such trading is, of course, subject to the sub-advisor's duty to achieve best execution. Further, each sub-advisor that trades through SIDCO is required to report such trades on a quarterly basis to the Funds' chief compliance officer.

**2. Client Transitions**

SIMC, in some instances, uses SIDCO to liquidate a client's securities portfolio. SIMC typically undertakes such liquidations to make cash and/or in-kind securities investments in one or more of the SEI Funds. SIDCO serves as an introducing broker-dealer for these transactions, which means that SIDCO will introduce the transaction to one or more clearing brokers. SIDCO and the applicable clearing brokers will receive and retain compensation (i.e., commissions) for executing such transactions. Information regarding the relationship between SIMC and SIDCO are disclosed to the client in the investment management agreement. In the case of clients subject to ERISA, SIMC's use of SIDCO for transition services will be in accordance with applicable law and regulation. In order to comply with applicable law, the client is permitted to withdraw its consent to the use of SIDCO for client transactions by sending a written notice to SIMC.

### **3. Managed Account Solutions**

MAS is a “Wrap Fee Programs,” meaning the client pays one fee for investment advisory and brokerage services) is structured such that the equity managers in the program generally execute all trades in the Program using SIDCO, consistent with the equity manager’s duty to seek best execution. SIDCO will receive and retain compensation for this trading activity. In many cases, Model Managers in MAS will provide SIMC with the Portfolio Manager’s investment model for a particular investment strategy and SIMC will implement that model and execute all transactions allocated to that strategy. There may be instances where an equity manager responsible for trading its own investment strategy has determined not to execute certain orders through SIDCO, consistent with such manager’s duty to seek best execution. Also, a significant percentage of trades in closed-end fund and master limited partnership strategies managed by Parametric are executed through third-party broker-dealers, on the basis that Parametric believes doing so results in the best combination of price and execution cost. Further, the wrap fee program’s Trading Managers select and utilize brokers as required by their firm’s own policies and procedures. Trading Managers of fixed income strategies will generally execute trades through third-party broker-dealers. The SIMC fees do not cover execution charges (such as commissions, commission equivalents, mark-ups, mark-downs or spreads) where SIMC or a Portfolio Manager executes transactions with broker-dealers other than SIDCO or its affiliates. Any such execution charges will be separately charged to the Independent Advisor’s Clients assets. SIMC’s internal governance structure oversees SIMC’s use of SIDCO in the wrap fee program to ensure that its use of SIDCO for the wrap fee program is suitable. Please refer to the Wrap Brochure for information on brokerage services applicable to the assets managed through MAS.

### **4. Sub-Advised Program and Gateway Manager Program**

The Sub-Advised Program is structured such that the sub-advisors in this program generally execute transactions in the same manner as set forth in the previous section for MAS. SIDCO does not charge commissions on the equity orders it executes for this program (including on Gateway Models) and will instead receive and retain compensation from SIMC for this trading activity. The SIMC Fees do not cover execution charges (such as commissions, commission equivalents, mark-ups, mark-downs or spreads) where SIMC or a Portfolio Manager executes transactions with broker-dealers other than SIDCO or its affiliates. Any such execution charges will be separately charged to the Independent Advisor’s Clients assets. SIMC’s internal governance structure oversees SIMC’s use of SIDCO in the program to ensure that its use of SIDCO for this program is suitable.

#### **Soft Dollar Practices**

SIMC does not intend to cause an account to pay more in commissions in return for research products and/or services provided to SIMC. However, brokers with which SIMC trades may provide proprietary research materials or technology to SIMC. While SIMC does not necessarily consider receipt of such information, or access to such technology, to constitute soft dollar arrangements, it does present a conflict of interest for SIMC in connection with the selection of brokers for the execution of trades to the extent that SIMC considers such research or technology to be valuable. Sub-advisors to the SEI Funds may engage in soft dollar transactions pursuant to the sub-advisors’ own policies and procedures.

#### **Client Referrals**

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

#### **Directed Brokerage**

In limited circumstances, a client may direct SIMC to use a particular broker-dealer (subject to SIMC’s right to decline and/or terminate the engagement) to execute some or all transactions for the client’s

account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and SIMC will not seek better execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by SIMC. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

### **Trade Aggregation**

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

## Item 13 - Review of Accounts

For those clients to whom SIMC provides investment advisory services through MAS or DFS, the Independent Advisor is responsible for reviewing accounts with its Clients and determining the ongoing suitability of the Client's investment strategy and asset allocation in light of the Client's objectives. Additionally, SIMC will contact the Independent Advisor for confirmation that the investment strategy for the Client does not need to be changed in light of the client's current investment objectives and risk tolerance. SIMC will rely on Client information submitted by the Client's Independent Advisor annually, or more frequently if the Client changes the account's investment strategy, to determine whether the strategy selected for the account is still suitable for the Client's investment objectives. All investment advisory Clients are advised that it remains their responsibility to ensure that SIMC is advised, directly by them or through the Independent Advisor, of any changes in their investment objectives and/or financial situation. Additionally, the Independent Advisor designated by the Client may conduct periodic reviews and provide the Client with certain reports.

With respect to the Sub-Advisory programs, the Independent Advisor is responsible for reviewing accounts with Clients and determining the ongoing suitability of the Client's investment strategy and asset allocation in light of the Client's objectives.

## Item 14 - Client Referrals and Other Compensation

SIMC's investment solutions, including the Pooled Investment Vehicles, are offered to Independent Advisors for their use in providing advisory services to their Clients. SIMC and its affiliates receive fees from the Pooled Investment Vehicles, which are determined as a percentage of the applicable Pooled Investment Vehicle's total assets. Therefore, to the extent that SIMC recommends to an Independent Advisor that its clients invest in Pooled Investment Vehicles, SIMC and its affiliates benefit from the investment in the Pooled Investment Vehicles. Please see [Items 4](#) and [12](#) for additional information.

In connection with an Independent Advisor's use of SIMC's investment solutions, SIMC and its affiliates provide the Independent Advisor with a range of services and other benefits, which in some cases 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 SIMC and other factors. These benefits and services do not necessarily benefit the Independent Advisor's Clients.

### Technology Platform

SIMC and its affiliates provide Independent Advisors with technical and operational solutions including a technology and operational platform referred to as the "SEI Wealth Platform"<sup>sm</sup>. The SEI Wealth Platform is provided to Independent Advisors at no cost and generally supports the management of their Clients' accounts held at SPTC. The SEI Wealth Platform provides a front office view of the Independent Advisors' Client's accounts at SPTC and gives Independent Advisors the ability to submit instructions to SPTC on behalf of their Clients, such as transactions, strategy changes, and general servicing of Client accounts. In addition, the SEI Wealth Platform includes access to the SEI Proposal Tool that permits Independent Advisors to develop and select investment strategies for its Clients. The SEI Wealth Platform also supports the processing of advisory fees for the Independent Advisors. The fact that Independent Advisors do not incur any cost for the SEI Wealth Platform could create an incentive for the Independent Advisor to recommend SIMC and SPTC over any other third party managers and custodians that do charge a cost for access to a similar platform. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, if applicable, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your Independent Advisor.

SIMC supports various third party software systems used by Independent Advisors to manage Client assets and automated workflows provided by or paid for by SIMC that supports the integration of these systems into the SEI Wealth Platform or to streamline Independent Advisors' interaction with the SEI Wealth Platform and SIMC's or SPTC's other systems. SIMC also provides personnel for operational support to facilitate the integration of third party software/systems that Independent Advisors use with the SEI Wealth Platform to help to streamline operations. The maximum payment payable to, or benefit received by, an Independent Advisor for internal software systems during a calendar year is \$5,000.00. An Independent Advisor is eligible for this third-party software/systems-related benefit only if it maintains a certain level of Client assets invested in SEI Funds, SEI Managed ETFs, MAS, or Sub-Advised Program (together, "assets under management with SIMC") or is actively engaged with SIMC and its investment, administrative and operational services. This creates an incentive for an Independent Advisor to recommend SIMC over other third party managers that do not offer this benefit. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your financial professional.

In rare instances we have entered into contractual arrangements with Independent Advisors to reimburse them amounts for third party software and technology support. Payment of these amounts are subject to the terms of a contract with the Independent Advisor which, among other things, require the advisor to determine that the acceptance of the benefit is in compliance with applicable laws and regulations

and to disclose the nature of the arrangement and any conflicts raised by such arrangement with their clients. This benefit creates an incentive for an Independent Advisor to recommend SIMC and its investment solutions over other third party managers that do not provide similar benefits. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your Independent Advisor.

SIMC also supports Independent Advisor's use of non-integrated third-party software/systems. Independent Advisors receive the software directly from the third-party at a reduced cost through SIMC or its affiliate's arrangement with the software provider to provide discounted rates to Independent Advisors. Discounts available to Independent Advisors vary by third-party software providers, but are generally a certain percentage off of the software provider's standard fees. This creates an incentive for an Independent Advisor to recommend SIMC over other third party managers that do not offer this benefit. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your Independent Advisor.

#### Conversion Services

When the Independent Advisors undertake a conversion of its Clients' accounts to SPTC from other custodial platforms, Independent Advisors receive clerical support from SIMC personnel to streamline the conversion process (e.g., SIMC personnel populate SIMC's and SPTC's end client paperwork for client signature necessary for clients to move accounts to SPTC) and other administrative services. The maximum payment or benefit payable to an Independent Advisor for clerical support from SIMC personnel to streamline the conversion of Clients' accounts to SPTC is \$2,000 per 100 accounts that are converted. In certain circumstances SIMC pays the costs that the Independent Advisor's Clients would otherwise incur when transferring Clients' assets to SPTC from another custodian (for instance, paying account closing fees charged by the Client's old custodian). SIMC may either pay the custodian directly the amount it would have otherwise charged each converting Client to close its account with the custodian or reimburse the Client's account at SPTC by the amount of the transfer costs incurred. In certain limited cases, SIMC may also pay compensation of up to ten (10) basis points on Independent Advisors' Clients assets transferred to SPTC to offset transition costs incurred by the Independent Advisors. An Independent Advisor is eligible for this conversion services benefit only if it commits to move a certain level of client assets over to IAS. This creates an incentive for an Independent Advisor to recommend SIMC over other third party managers that do not offer this benefit. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your financial professional.

#### Other Research Investment Services

In addition to the SEI Proposal Tool, SIMC provides investment research to assist Independent Advisors in making investment recommendations/decisions for its Clients' accounts. This service generally consists of SIMC's investment professionals reviewing an Independent Advisors Client's current investment portfolio, future goals and potential tax impact of an investment reallocation, as provided by the Independent Advisors to SIMC, and designing an investment portfolio intended to meet the Clients' goals constructed using SIMC's proprietary investment solutions. The proposed investment portfolio is provided by SIMC to Independent Advisors. Independent Advisors independently review any investment proposal designed by SIMC and determines whether to recommend/use the investment portfolio with its Client(s) and/or to implement the portfolio at SIMC. This benefit creates an incentive for an Independent Advisor to recommend SIMC and its investment solutions over other third party managers that do not offer a similar service. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your financial professional.

## Marketing Benefits

In circumstances where SIMC determines that an Independent Advisor is actively engaged with SIMC and its investment, administrative and operational services, an Independent Advisor receives assistance from SIMC for marketing activities, including, but not limited to, creating and providing marketing toolkits and other forms of marketing materials to be adapted by the Independent Advisors to use with its Clients and prospects and assistance with joint marketing (e.g., co-branded) initiatives. This benefit creates an incentive for an Independent Advisor to recommend SIMC over other third party managers that do not offer it, or to otherwise favor SIMC in the Independent Advisor's communications and marketing efforts. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your Independent Advisor.

## SEI Advisor Benefit Program ("ABP")

As discussed below, SIMC categorizes certain Independent Advisors as eligible to participate in the ABP and certain benefits are typically only available to Independent Advisors that either have achieved, or agree to achieve, a certain minimum level of assets, or net cash flow, or a combination of assets and net cash flow in SEI Programs, including SIMC. Independent Advisors are eligible to participate in the ABP if they meet a threshold of \$50 million or more in assets under management with SIMC or a combination of assets under management with SIMC below \$50 million but positive net cash flow into SIMC managed investments meeting SIMC determined thresholds. Independent Advisors may also be eligible to participate in ABP in SIMC's discretion if the Independent Advisor is actively engaged with SIMC and its investment, administrative and operational services even if the Independent Advisor does not meet the assets under management or net cash flow with SIMC threshold.

## ABP Benefits

In addition to the benefits identified above, Independent Advisors eligible for ABP participate in IAS-sponsored national and/or regional conferences, seminars, practice management services and other educational and informational events where SIMC pays for part or all of the costs, including that of third party presenters, to educate Independent Advisors about SEI Funds, SEI Managed ETFs, MAS and other investment solutions, to support Independent Advisors' use of the SEI Wealth Platform, to provide practice management support and help Independent Advisors manage their business. Costs covered by SIMC to attend these events includes conference attendance expenses (including hotel expenses). In addition to the benefits noted above under the "Technology" heading, Independent Advisors participating in ABP are eligible to receive at no cost to the Independent Advisor a third party risk profiling software tool paid for by SIMC. SIMC pays the software provider a \$500 per user fee for each financial professional at the Independent Advisor using the software. As the fee paid by SIMC is based on the number of financial professionals working at a firm, amounts paid by SIMC vary significant by Investment Advisor and the number of its personnel using the software.

Independent Advisors eligible for the ABP will also receive reimbursement for their marketing related, practice related, and/or growth related expenses through an annual practice growth budget ("Growth Budget") from SIMC intended to promote an Investment Advisor's use of IAS and SIMC's investment solutions with its Clients. Annual Growth Budgets are based on the total assets under management invested in SIMC's proprietary investment solutions and/or the total assets under management on the SEI Wealth Platform ("Total Platform Assets"), meaning that marketing budgets allotments generally increase as an Investment Advisor's assets under management invested at SEI increases. These Growth Budgets include, but are not limited to, paying costs related to an Investment Advisor's marketing events and growth programs, providing access to SIMC's third party vendor strategic partnerships, and access to SIMC's studio for recording of on-screen video messages. The maximum payment or benefit payable to an Independent Advisor for its marketing efforts (either through direct payments to a vendor or in the provision of materials) in addition to the costs connected to the IAS-sponsored educational and informational events noted above during a calendar year is \$25,000. This benefit creates an incentive



for an Independent Advisor to recommend SIMC's proprietary investments over other third party managers and investment sponsors that do not offer it, or to otherwise favor SIMC's proprietary investments in the Independent Advisor's communications and marketing efforts. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your Independent Advisor.

In circumstances where SIMC determines that an Independent Advisor is actively engaged with SIMC and its investment, administrative and operational services, an Independent Advisor receives assistance from SIMC for marketing activities, including, but not limited to, creating and providing marketing toolkits and other forms of marketing materials to be adapted by the Independent Advisors to use with its Clients and prospects and assistance with joint marketing (e.g., co-branded) initiatives. This benefit creates an incentive for an Independent Advisor to recommend SIMC over other third party managers that do not offer it, or to otherwise favor SIMC in the Independent Advisor's communications and marketing efforts. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your Independent Advisor.

In rare instances we have entered into contractual arrangements with Independent Advisors to reimburse them amounts for marketing related, practice-related, and/or growth-related expenses that significantly exceeds the benefit amounts listed above. Payment of these amounts are subject to the terms of a contract with the Independent Advisor which, among other things, requires the advisor to determine that the acceptance of the benefit is in compliance with applicable laws and regulations and to disclose the nature of the arrangement and any conflicts raised by such arrangement with their clients. This benefit creates an incentive for an Independent Advisor to recommend SIMC and its investment solutions over other third party managers that do not provide similar benefits. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your Independent Advisor.

Independent Advisors who have assets under management with SIMC of \$100 million or more are eligible to receive additional benefits including dedicated service and processing team with SPTC, priority access to investment research to assist Independent Advisors in making investment recommendations/ decisions for its Clients' accounts and priority access to new SIMC programs, technology and services. The criteria may change from time to time.

#### ABP Benefits - Client Discounts

Independent Advisors' Clients receive discounts to the Client's contractually agreed upon MAS pricing, Sub-Advised Program pricing and SPTC's custodial services pricing. The maximum discount that SIMC makes available is a 10% discount from SIMC's contractual fee rates for certain equity strategies and a 20% discount for certain ETF strategies. The maximum discount that SPTC makes available is a 25% discount from its stated fees on third-party assets held outside of SIMC proprietary programs and the waiver of SPTC's annual \$60 custody account fee for Client accounts opened after the Independent Advisor joins ABP. Because these discounted fees are available only through certain Independent Advisors, Clients are encouraged to discuss the availability of these discounts with their Independent Advisors. These discounts are at SIMC's discretion and may be terminated at any time, after which time contracted fee rates will apply. When an Independent Advisor is no longer eligible to participate in ABP, Client discounts may be terminated.

#### Compliance Support and Legacy Programs

SIMC provides certain Independent Advisors with a compliance service consisting of access to a third party investment adviser compliance software system and related compliance support by the vendor's personnel. SIMC may provide the compliance service to an Independent Advisor at a reduced fee from the vendor's standard rate or for no cost. Eligibility for this program is at SIMC's discretion, but may be

based on an Independent Advisor committing to a certain minimum AUM at SIMC or made available to Independent Advisors actively engaged with SIMC and its investment, administrative and operational services. And, certain Independent Advisors participating in a legacy SIMC program may also receive a variety of consulting and administration services, including, but not limited to, compliance software and services, human resources services, facilities support, and a dedicated service team member. Those Independent Advisors participating in this arrangement with IAS may receive these services at a discount from typical stand-alone rates or for no cost. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your Independent Advisor.

### Custom Pricing

In certain cases, SIMC and its affiliates agree to customized pricing discounts for particular Independent Advisors' Client accounts at SPTC (such as MAS or Sub-Advised Program pricing discounts exceeding the ABP discounts noted above) based on account size and/or the nature and scope of business the Independent Advisor does with IAS, 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. Pricing discounts may vary materially from standard pricing and include SPTC agreeing to waive transactional charges and other fees it would normally charge the Independent Advisor's Clients. SIMC and its affiliates, including SPTC, 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. This benefit creates an incentive for an Independent Advisor to recommend SIMC over other third party managers. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your financial professional.

### Revenue Sharing

Many Independent Advisors are affiliated with large regional or national financial intermediaries, including "dual registrant" brokerage and advisory firms that provide much of the core regulatory, compliance and operational infrastructure Independent Advisors rely upon to operate their businesses. SIMC and its affiliates pay compensation to these firms 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 Clients, placing the SEI Funds on the firm's preferred or recommended fund list, granting SIMC 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 also compensates these firms to support their ability to provide administrative support services required when the firm's affiliated Independent Advisors conduct business with their Clients through the use of IAS services. These payments are typically based on average net assets of SEI Funds attributable to that firm's Independent Advisors working with IAS, a negotiated annual lump sum payment or other similar metrics. For example, SIMC may pay either: (i) up to ten (10) basis points on net cash flow invested in SEI Funds; and/or (ii) ten (10) basis points multiplied by the firm's Independent Advisors' Clients total assets invested in SIMC sponsored investments for the administrative services provided and to help offset the compliance service costs that the firm will incur in overseeing their Independent Advisor's use of SIMC managed investment solutions. Alternatively, SIMC may pay up to ten (10) basis points multiplied by the firm's Advisors' Clients total assets invested in SIMC sponsored investments for the firm's 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 firms will vary. Payments are sometimes 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. These payments create an incentive for an Independent Advisor to recommend SIMC over other third party managers that do not offer similar arrangements. For additional information on the material facts relating to this conflict of interest for your Independent Advisor, please see your Independent Advisor's Form ADV Part 2A Firm Brochure or discuss it with your financial professional.

### Solicitation Arrangements

SIMC enters into solicitation arrangements with third parties who will receive a solicitation fee from SIMC for introducing prospective clients to SIMC or SIMC investment products. Additionally, SIMC compensates SEIC employees who will receive a fee for introducing prospective clients to SIMC or SIMC investment products. In all cases these solicitation arrangements are designed and implemented in a manner to comply with Investment Adviser Act Rule 206(4)-1 and applicable state laws.

### Independent Advisor Benefits

The benefits, services or payments made to Independent Advisors or financial institutions discussed throughout this Item 14 and elsewhere in this Form ADV may be significant to the Independent Advisor or financial institutions receiving them and creates an incentive for the Independent Advisor or financial institutions to recommend or offer SIMC's investment management products and services, including the SEI Funds, to Clients rather than other funds or investment products. These payments are made by SIMC and its affiliates out of its past profits or other available resources.

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

## Item 15 - Custody

In most cases, SPTC, an affiliate of SIMC, serves as custodian for SIMC clients (with the exception of the SEI Funds, SEI Managed ETFs and some of SIMC's other Pooled Investment Vehicles). As custodian, SPTC will send periodic account statements directly to clients. Additionally, SPTC provides SIMC clients with other account and reporting services, including quarterly performance reports, year-end tax reports and online account access. SPTC charges a fee for its services.

SIMC clients whose assets are custodied with SPTC are encouraged to carefully review the account statements they receive from SPTC. In addition, SIMC clients are urged to compare any statements received from SIMC to the statements received from SPTC (or other third-party custodian). Comparing statements will allow clients to determine whether account transactions, including deductions to pay advisory fees, are accurate.

## Item 16 - Investment Discretion

SIMC maintains discretionary authority (1) as investment advisor to Pooled Investment Vehicles ; (2) to determine the re-balancing allocation of a client's assets among the individual SEI Funds or other Pooled Investment Vehicles; (3) in certain circumstances, to dispose of a client's securities in order to raise cash to purchase SEI Funds, liquidate the account or invest in other Pooled Investment Vehicles; and (4) for MAS and DFS, as set forth in each End Investor's applicable agreement.

Please see [Item 4](#) for additional information on the discretion SIMC has on Client accounts invested in products and the reasonable restrictions Clients can place on some of these products.

## Item 17 - Voting Client Securities

SIMC has adopted and implemented written policies and procedures that are reasonably designed to ensure that SIMC votes proxies in the best interest of its clients. SIMC has retained a third-party proxy voting service (the “Service”), to vote proxies with respect to applicable SIMC clients in accordance with approved guidelines (the “Guidelines”), and may deviate from voting in accordance with the Guidelines in certain limited exception scenarios (see below). 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 scenarios. So long as the Service votes proxies in accordance with the Guidelines, SIMC maintains that there is an appropriate presumption that the manner in which SIMC voted was not influenced by, and did not result from, a conflict of interest.

In addition to retaining the Service, SIMC has also engaged a separate third- party vendor to assist with company engagement services (the “Engagement Service”). The Engagement Service strives to help investors manage reputational risk and increase corporate accountability through proactive, professional and constructive engagement. As a result of this process, the Engagement Service will at times provide to SIMC recommendations that may conflict with the Guidelines (see below for more detail).

SIMC retains the authority to overrule the Service’s recommendation, in certain/limited scenarios 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 meets to consider the proposal to overrule the Service’s recommendation.
- b. The Committee determines 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 must 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.

Notwithstanding these 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. 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;
- Positions on loan related to fund securities lending programs;
- Share blocking;
- The Committee is unable to convene on the proxy proposal to make a determination as to what would be in the client's best interest; and
- Proxies in foreign jurisdictions where the requirements necessary to vote are not practical and create an administrative hurdle that SIMC is unable to clear in the required (usually limited) time frame.

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

With respect to proxies of an affiliated investment company or series thereof (e.g., the SEI U.S. mutual funds) SIMC will vote such proxies in the same proportion as the vote of all other shareholders of the investment company or series thereof (i.e., "echo vote" or "mirror vote").

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. Clients may also direct votes with respect to securities held directly by the client. The client may not direct votes for securities held by Pooled Investment Vehicle.

As noted above, SIMC retains the authority to overrule the Service's recommendations in certain scenarios and instruct the Service to vote in a manner at variance with the Guidelines. In all such cases, this requires the Committee to rule out any material conflict (as noted above) prior to overriding the Guidelines. Areas where SIMC may consider overriding the Guidelines include:

- Requests by third-party sub-advisers within the SEI U.S. mutual funds to direct certain votes; and
- Recommendations by the Engagement Service.

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 client service 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 client service representative if they have a question on particular proxy voting matters or solicitations.



## Item 18 - Financial Information

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