

Industry and Local #338 Pension Plan

Quarterly Investment Review

Presented by: Patrick Blizzard, Client Portfolio Manager



SEI New ways.
New answers.®

March 30, 2017

Agenda

- Capital Markets Review & Economic Outlook
- Pension Plan Assets and Metrics
- Appendix

Executive Summary – as of 2/28/2017

Summary

- YTD return as of 2/28/2017 was 3.7%. One year return was 15.8%. FYTD return was 10.0%.
- Asset balance as of 2/28/2017: \$87,612,741

Market Review

- The U.S. presidential election result provided tailwinds to investors and investor sentiment shifted towards U.S. equities and High Yield bonds.
- Domestic equity markets reacted favorably based on a belief of higher U.S. economic growth. Emerging market currencies, debt and equities generally underperformed.
- Post election U.S. interest rates and inflation expectations moved sharply higher, albeit from low levels, as we saw long duration bonds and higher quality fixed income struggle during the 4Q and YTD 2017.

Economic Outlook

- The Federal Reserve raised the federal funds target rate by 0.25% earlier this month marking the third increase since the financial crisis. Expectations are for additional hikes in 2017, but will continue to be “data dependent”.
- Global expansion will continue with the U.S. leading the way. Recent solid U.S. job market gains, strong housing starts and increased consumer confidence continue to support economic growth in the U.S.
- Expectations for increased fiscal stimulus including increased infrastructure spending, tax reform and deregulation continue to support the market.

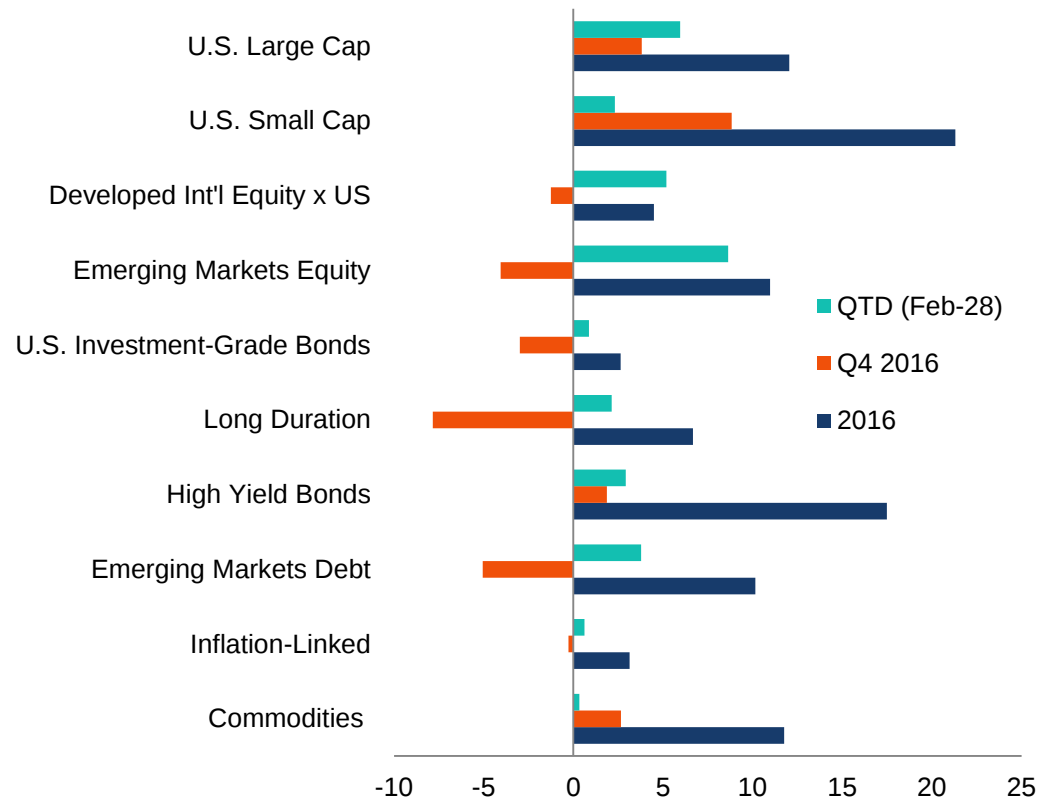


Capital Markets and Economic Overview

Market and Performance Overview

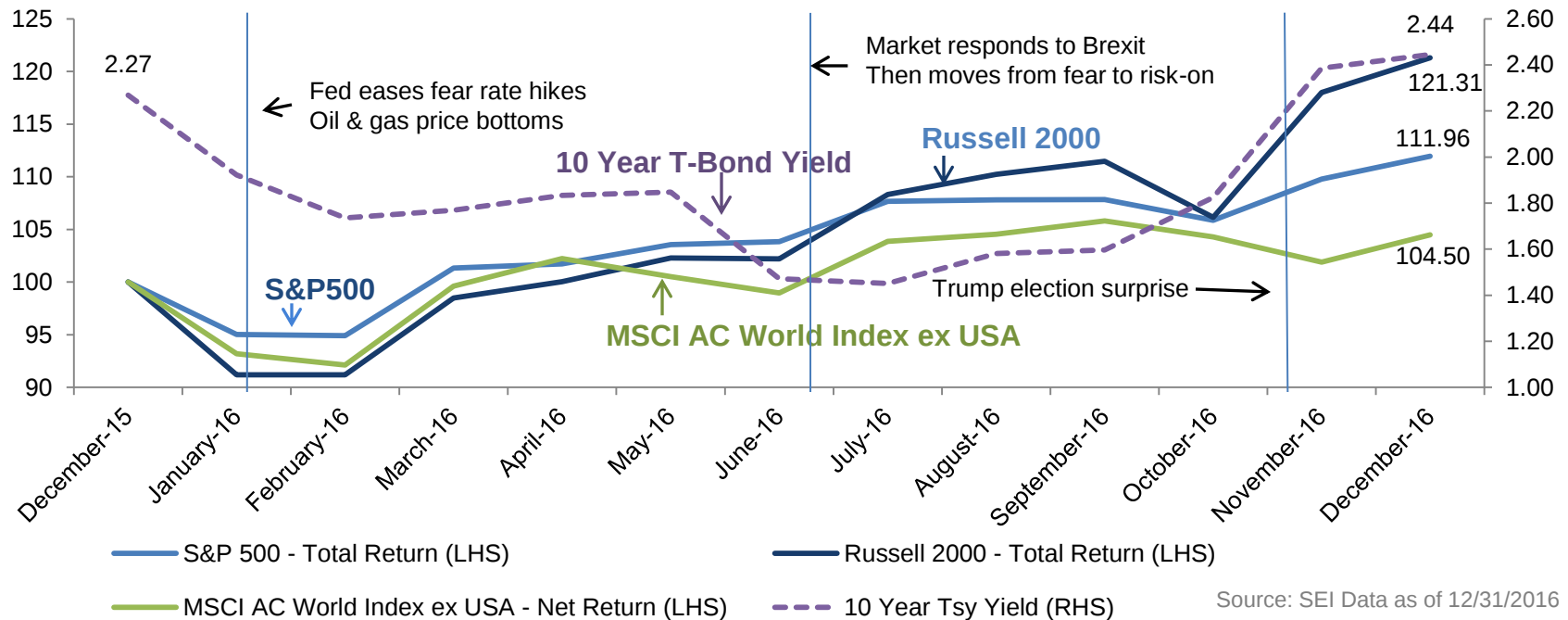
- A surprising presidential election result provided tailwinds to the U.S. dollar and to riskier assets, especially U.S. equities.
- Sharply higher growth and inflation expectations in the wake of the election hurt high-quality bonds and other rate-sensitive assets.
- The stronger dollar and uncertainty around future U.S. trade policy acted as headwinds to dollar-based investors' holdings of international and emerging market stocks and bonds.
- Commodities performed well during the quarter and full year despite the strong move in the dollar.
- For the full year, most asset classes provided positive returns. Riskier assets did especially well, thanks to a strong rebound from an intense bout of China- and oil-related risk aversion early in the year.

Financial Markets Review (%)



U.S. Large Cap = Russell 1000, U.S. Small Cap = Russell 2000, Developed International Equity x U.S. = MSCI ACWI ex-US, Emerging Markets Equity = MSCI EFM (Emerging+Frontier Markets), U.S. Investment Grade Bonds = Bloomberg-Barclays U.S. Aggregate, High Yield = BofA ML Master II HY Constrained, Emerging Markets Debt = 50% JPM EMBI GD / 50% GBI-EM GD Index, Long Duration = Bloomberg Barclays Long US Govt/Credit, Inflation Linked = Barclays 1-5 Year TIPS, Commodities = Bloomberg Commodity. Source: SEI. Past performance is no guarantee of future results.

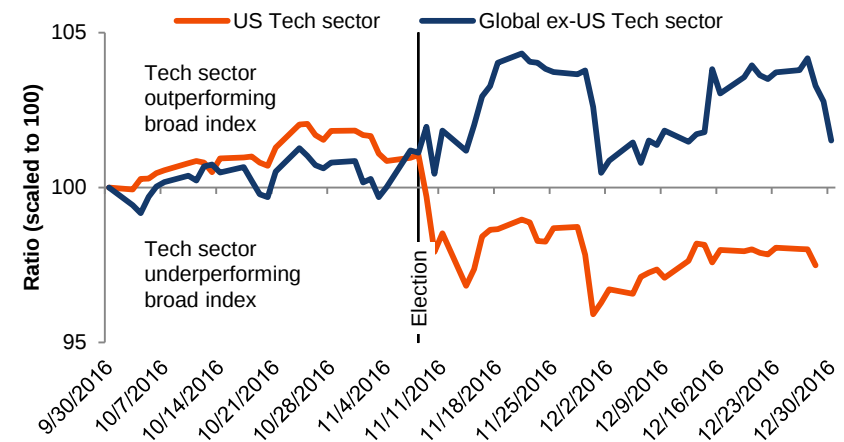
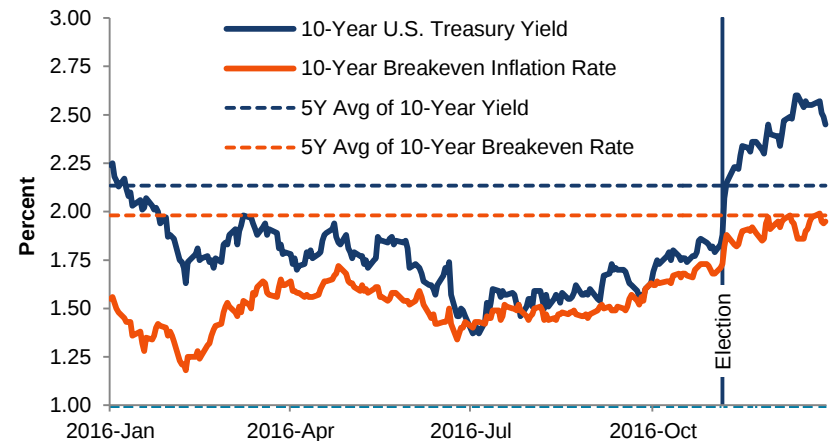
2016 Year in Review



- At the beginning of the year, equity markets and rates fell on fear of global recession and concerns about Fed tightening.
- Market bottomed on February 11 as Fed eased concerns about rate hikes and oil bottomed.
 - The equity markets continued to focus on overpriced defensive, managed volatility stocks even during market recovery as investors sought yield.
- Within 2 weeks of the Brexit scare, although rates stayed low, the market changed appetite from fear to risk-on.
- All risk assets rallied with value taking the lead in the equity market as defensive stocks retraced their run-up.
- Following the Trump Election surprise, defensive stocks continued to underperform as risk assets accelerated their run-up.
 - In US large cap, technology companies suffered in the face of the expected Trump taxation and immigration policies.
 - Small caps, financials and cyclical ran up based on expectations of Trump's anti-regulation position among others.

U.S. election “Trumps” financial markets

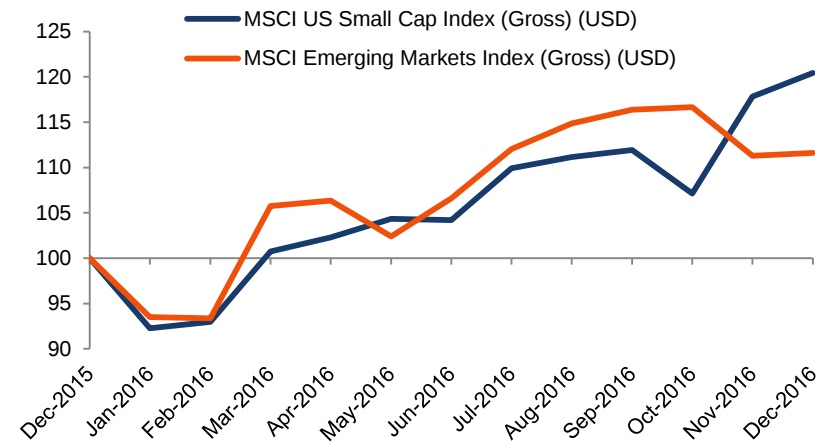
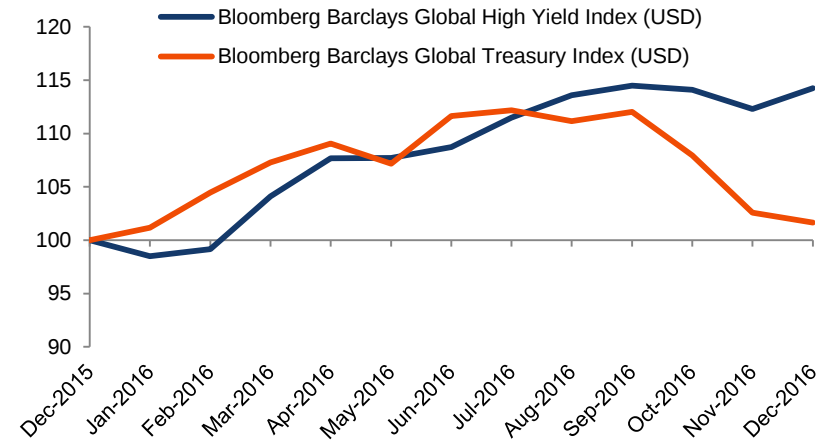
- Potential policy shifts under a Trump administration and Republican-controlled Congress – including tax cuts, increased federal spending, deregulation, and trade renegotiations – led to some notable repricings in financial markets.
- U.S. interest rates and inflation expectations moved sharply higher (first chart), albeit from low levels. U.S. risk assets performed well, especially small-cap stocks, while higher-quality fixed income and emerging markets struggled.
- Unsurprisingly, as a result U.S. equities were again a stand-out performer during the quarter. This does not undermine the case for diversification!
- Overweights to technology (IT) detracted, as IT was a notable exception to the strong performance of U.S. equities. Concerns about tax and immigration policies weighed on the sector (second chart).
- Within equities, we continue to believe that IT will be the beneficiary of increased capital investment going forward.
- Curve-flattening positions within fixed income detracted as the yield curve steepened. Underweight sovereign debt in Mexico was additive.



Sources: Federal Reserve of St. Louis, Bloomberg. Both charts through 12/30/2016. Bottom chart shows relative cumulative performance of (1) the S&P 500 Information Technology sector to the broad S&P 500 Index and (2) the MSCI ACWI ex-US Information Technology sector to the broad MSCI ACWI ex-US Index.

Risk rally gets a second wind

- There was a broad rally in riskier assets since early 2016, with corresponding underperformance of safety and stability since midyear (first chart).
- U.S. stocks (especially small caps) and high yield bonds enjoyed a second wind, driven by expectations of business- and market-friendly measures from the incoming administration and Congress.
- A higher-quality focus within small-cap value exposures detracted. Overweights to value equities across our strategies benefitted relative performance.
- Risky assets outside the U.S. did not fare as well after the election, given trade and diplomatic uncertainties. Emerging market currencies, debt and equities were hit especially hard (second chart). An overweight to Mexico detracted, but this, and other, dislocations are creating attractive opportunities for active management.
- The global underperformance of stability and safety continued. Within some asset classes (U.S. large cap), stability is starting to look more reasonably valued, while in others (such as emerging market equity), stability continues to look relatively expensive. Sizing of related active positions is adjusting accordingly.



Sources: MSCI, SEI.

Monthly returns from January 2016 through December 2016.

The Outlook: A Year of Big Changes Ahead

The good news

- Investors perceive that the election of Donald Trump, the maintenance of Republican majorities in the House and Senate, and overwhelming Republican representation at the state level will pave the way for dramatic changes in U.S. economic policies.
- Tax reform, both corporate and individual, is high on the agenda. We expect a boost to after-tax earnings, cash flow and incomes. Major regulatory reform also will likely proceed, with the aim of reducing the cost of doing business and increasing incentives to hire.
- European economic activity has improved in recent months despite the potentially disruptive impact of Brexit and rising political uncertainty.

The bad news

- The Trump Administration's shift to a more combative stance on trade, especially regarding China, could rattle investor confidence.
- Fiscal stimulus at a time when the unemployment rate is already well below 5% could lead to a faster-than-expected acceleration in inflation and force the Fed to tighten policy more aggressively.
- Populist politics will continue to be a concern in Europe. Elections in France this spring could prove pivotal for European markets and the euro.
- The economic disruption posed by Brexit should come into better focus in 2017 as negotiations begin in earnest.

Plan Assets and Metrics

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New answers.®

Important information: Asset valuation and portfolio returns

Inception date 1/31/2011 Historical Total Index can be provided upon request.

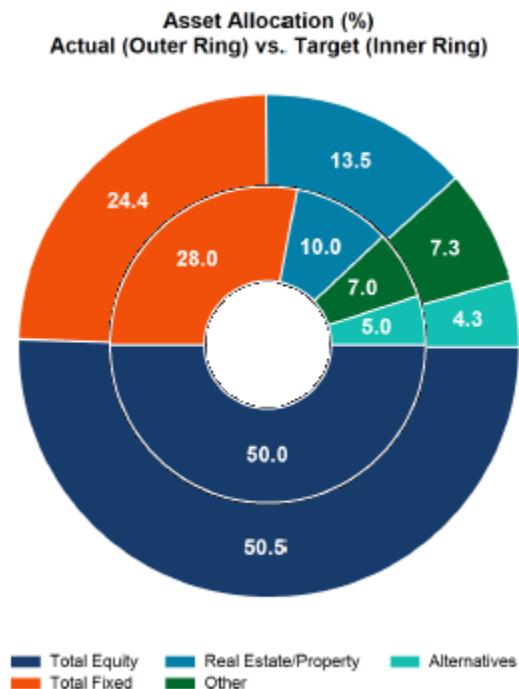
Alternative, Property and Private Assets valuations and performance may be reported on a monthly or quarterly lag.

The Portfolio Return and fund performance numbers are calculated using Gross Fund Performance, using the Modified Dietz method of calculation, which considers the timing of cash flows during the periods. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. If applicable, Alternative, Property and Private Assets performance is calculated net of administrative fees; however, SEI Offshore Opportunity Fund Ltd. and SEI Offshore Opportunity Fund II Ltd. Class A performance is net of investment management and administrative fees.

As of the close of business on 1/31/2016, the Total Index Composition is as follows:

25.0 %	Russell 1000 TR
18.0 %	MSCI AC Wld x US NR USD
10.0 %	Hist Blnd: Core Property Idx
10.0 %	BofAML 1-3Y US Trs TRIX
7.0 %	Russell 2000 TR
7.0 %	SIIT Dynamic Asst Alloc Bmrk
5.0 %	Barclay US Agg TRIX
5.0 %	BofAML 3M US Tbill TRIX
4.0 %	BofAML USD LIBOR 3M Con Mat TR
4.0 %	Hist Blnd: SEI High Yield Bond
3.0 %	Hist Blnd: SEI Emerg Mkt Debt
2.0 %	Barclay Sh Tr 9-12M TRIX

Portfolio asset summary: 2/28/2017



Asset Class	Target Allocation	Actual Allocation	Market Value
SEI World Equity Ex-US Fund	18.0	17.7	\$15,414,509
SEI Core Property Fund CIT	10.0	13.5	\$11,812,627
SEI Large Cap Fund	12.5	12.7	\$11,154,379
SEI Large Cap Index Fund	12.5	12.4	\$10,871,433
SEI Limited Duration Fund	10.0	8.4	\$7,370,136
SEI Small Cap Fund	7.0	7.7	\$6,718,044
SEI Dynamic Asset Allocation Fund	7.0	7.3	\$6,371,273
SEI Core Fixed Income Fund	5.0	4.2	\$3,701,983
SEI High Yield Bond Fund	4.0	4.0	\$3,523,196
SEI Opportunistic Income Fund	4.0	3.0	\$2,603,261
SEI Special Situations Fund CIT	3.5	2.9	\$2,555,274
SEI Emerging Markets Debt Fund	3.0	2.8	\$2,487,293
SEI Ultra Short Duration Fund	2.5	2.0	\$1,787,304
SEI Structured Credit Collective Fund	1.0	1.4	\$1,242,028
SEI Daily Income Government Fund	0.0	0.0	\$2
Total	100.0	100.0	\$87,612,741

Alternative, Property and Private Assets values and performance may be reported on a monthly or quarterly lag.

Portfolio performance: 2/28/2017

	Cumulative (%)									Annualized			Inception
	1 Month	3 Month	YTD	FYTD '16-'17	FY '15-'16	FY '14-'15	FY '13-'14	FY '12-'13	FY '11-'12	1 Year	3 Year	5 Year	1/31/2011
Total Portfolio Return	1.78	5.05	3.67	10.03	-0.82	3.75	16.58	14.34	2.15	15.80	5.40	8.47	7.88
Total Portfolio Blended Index	1.84	4.94	3.48	8.99	0.52	3.46	14.75	11.95	1.60	16.04	5.37	7.69	7.13

	Calendar Years (%)				
	2016	2015	2014	2013	2012
Total Portfolio Return	7.80	0.47	5.97	18.63	13.72
Total Portfolio Blended Index	8.47	0.14	5.43	16.22	11.46

Summary for periods ending 2/28/2017

	One Month	Three Month	Year To Date
Portfolio Value	\$86,678,751.80	\$84,832,140.65	\$85,535,743.90
Net Cash Flows	(\$600,762.06)	(\$1,451,767.04)	(\$1,041,678.14)
Realized Gains	\$15,944.71	\$50,213.21	\$51,506.34
Unrealized Gains	\$1,482,831.09	\$2,724,962.34	\$2,993,019.53
Interest	\$0.00	\$0.00	\$0.00
Dividends	\$35,975.40	\$1,457,191.77	\$74,149.31
Ending Portfolio Value	\$87,612,740.94	\$87,612,740.94	\$87,612,740.94

Fiscal year is 6/30

Equity strategies

Relative Return Strategies	QTD 2017	Q4 2016	2016	2015	2014	2013	2012	2011
SIIT Large Cap Fund	5.54	3.40	7.24	1.50	11.57	35.54	17.34	0.98
SIIT Large Cap Index Fund	5.94	3.83	12.06	0.91	13.22	33.14	16.35	1.51
Russell 1000 Index	5.96	3.83	12.05	0.92	13.24	33.11	16.42	1.50
SIIT Small Cap Fund	1.13	8.70	18.42	-3.07	4.04	41.89	14.37	-4.90
Russell 2000 Index	2.33	8.83	21.31	-4.41	4.89	38.82	16.35	-4.18
SIIT World Equity Ex-US Fund	6.04	-1.84	4.20	-5.62	-2.34	18.32	18.70	-12.75
MSCI All Country World ex US Index	5.19	-1.25	4.50	-5.66	-3.87	15.29	16.83	-13.71

*2014 Performance is from 10/31/2014 - 12/31/2014.

Data as of 2/28/2017, Source: SEI, FactSet. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

Fixed Income Strategies

Relative Return Strategies	QTD 2017	Q4 2016	2016	2015	2014	2013	2012	2011
SIIT Core Fixed Income	1.04	-2.62	3.49	0.96	6.87	-1.10	7.23	8.12
Bloomberg Barclays US Aggregate Bond Index (USD)	0.87	-2.98	2.65	0.55	5.97	-2.02	4.21	7.84
SIIT High Yield Bond	3.11	2.42	17.59	-3.89	2.82	8.32	17.24	5.58
BofA Merrill Lynch US High Yield Constrained Index (USD)	2.92	1.88	17.49	-4.61	2.51	7.41	15.55	4.37
SIIT Opportunistic Income Fund	0.77	1.05	4.45	1.15	2.31	2.77	7.50	1.60
BofA Merrill Lynch USD 3-Month LIBOR Constant Maturity Index (USD)	0.15	0.20	0.66	0.23	0.23	0.24	0.51	0.27
SIIT Emerging Markets Debt	4.61	-5.23	11.09	-7.63	0.16	-8.42	19.15	5.96
50/50 JPM EMBI Global Div & JPM GBI EM Global Div*	3.79	-5.05	10.16	-7.14	0.71	-7.10	17.18	7.35
SIIT Limited Duration Bond Fund ‡	0.35	-0.27	1.85	0.87	0.16			
BofA Merrill Lynch 1-3 Year US Treasury Index (USD)	0.23	-0.43	0.89	0.54	0.29			
SIIT Ultra Short Duration	0.38	0.30	1.95	0.83	0.84	1.03	2.93	
Bloomberg Barclays Short US Treasury 9-12 Month Index (USD)	0.19	0.08	0.79	0.20	0.17	0.25	0.23	2.72

Data as of 2/28/2017, Source: SEI, FactSet. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

SEI Dynamic Asset Allocation Fund: Themes & Exposures

Current Exposures

Active Currency Exposure (02/28/17)*	Notional (%)
Long Indian Rupee	+14.72
Short Korean Won	-9.93
Short Taiwan Dollar	-2.48
Short Singapore Dollar	-2.46
Active Currency Exposure (02/28/17)*	Notional (%)
Long U.S. Dollar	+9.62
Short Euro	-9.62
Active Currency Exposure (02/28/17)*	Notional (%)
Long Mexican Peso	1.99
Short Canadian Dollar	-1.91
Active Currency Exposure (02/28/17)*	Notional (%)
Long U.S. Dollar	+4.77
Short Saudi Arabian Riyal	-4.77
Active Option Exposure (02/28/17)*	Notional (%)
Long S&P 500 Calls	+0.00
Short S&P 500 Puts	-0.00
Active Option Exposure (02/28/17)*	Notional (%)
Long Japanese Equities (USD Hedged)	5.00
Short U.S. Equities	-5.00
Passive Beta Exposure (02/28/17)*	Notional (%)
S&P 500 Full Replication (cash securities)	100.00

EUR Still at Risk

- Following this summer's "Brexit" vote, cohesion in the European Union (EU) is under attack. The U.K. public's willingness to depart could serve as a catalyst for other countries to question their participation in the EU. Extraordinary monetary policy measures are likely to continue or increase in an attempt to stimulate growth. Economic conditions in the U.S. continue to be favorable on a relative basis. This is likely to lead to continued monetary policy divergence.

Pockets of Strength Exist in the Emerging World

- India represents an opportunity to benefit from high growth rates, a reform-minded administration, and still-solid foreign flows. India also benefits from relatively little exposure to China, which may weigh heavily on certain countries such as Korea. We have maintained exposure to this theme based on the still heightened concerns regarding China's economy and Korea's ties to it. In addition the interest rate differential between Indian and Korean government bonds remains wide providing an attractive positive carry in currency forward contracts.

Japanese Equities are More Attractive than U.S. Equities on a Hedged Basis

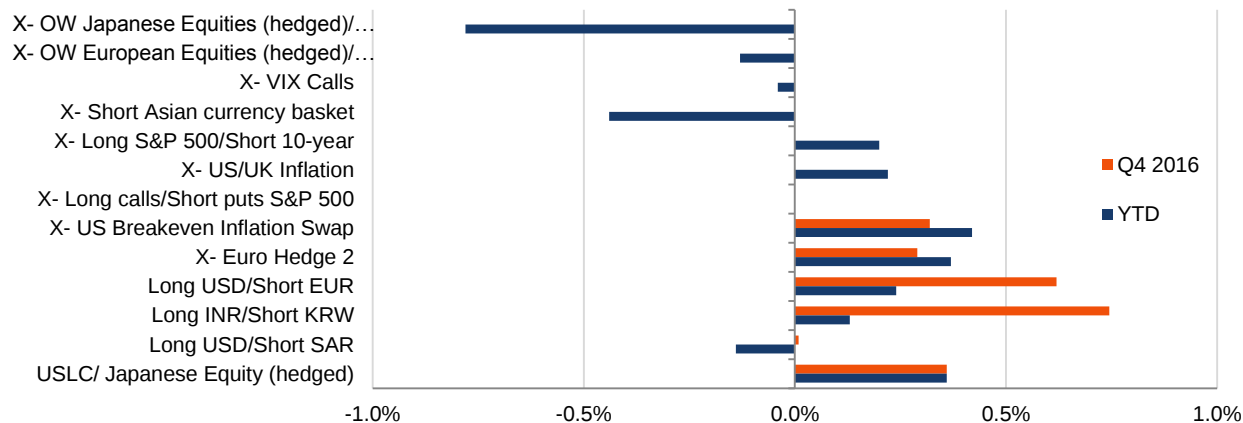
- Despite a strong fourth quarter for Japanese equities they still remain cheap relative to most other developed market equities. Japan is currently engaging in a particularly aggressive version of quantitative easing and we are likely to see continued aggressive monetary expansion in the year ahead whereas U.S. monetary policy is more likely to tighten. Additionally, technicals favor Japanese equities, as the Bank of Japan and the Government Pension Investment Fund continue to be major equity buyers.

*Exposures subject to change as underlying exposures change.

SEI Dynamic Asset Allocation Fund: Performance review

Performance	QTD 2017	Q4 2016	2016	2015	2014	2013	2012	2011	2010†	Since Inception*
SEI Dynamic Asset Allocation Fund (Inception Date: 7/30/10)	5.21	6.26	12.34	4.76	18.75	29.53	14.09	2.79	8.14	14.40
SEI Blended Benchmark**	5.94	3.82	11.96	1.38	13.69	31.04	11.60	7.71	6.89	13.49
Excess Return	-0.74	2.43	0.38	3.37	5.06	-1.51	2.49	-4.92	1.25	0.91

Alpha Attribution by Trade/Theme



¹A number of factors may contribute to attribution friction. Most commonly, attribution friction results from the compounding of alpha due to the performance of the beta, cash flows in DAA, sizing of static positions that are not exactly matched to a notional percentage of DAA and other general market frictions. † 2010 Performance is from 7/30/2010 – 12/31/2010.

*Please note when Fund inception is mid-month, comparative benchmark inception date defaults to the most recent month-end. **Benchmark was 50% S&P 500/50% 10 Year US Treasury Bond from inception to April 2012, from May 2012 to January 2013 the benchmark was 80% S&P 500, 10% High Yield Fixed Income and 10% Emerging Market Debt, and from February 2013 to present the benchmark is 100% S&P 500 Index.

Performance data as of 2/28/2017. Alpha Attribution data as of 12/31/2016. Source: SEI. Gross fund performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross fund performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross fund performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the gross fund performance of the mutual funds. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

Goals-based strategies: Alternatives diversifying return strategies

Strategy	Q4 2016	2016	2015	2014	2013	2012	2011	2010	2009
SEI Special Situations Fund*	0.70	1.10	-2.62	3.80	8.36	8.97	-4.34	9.63	3.53†
Core Property Fund*	2.26	9.53	14.37	12.03	13.82	11.48	11.79††	n/a	n/a
Structured Credit*	5.46	25.71	-6.86	5.18	8.02	25.42	8.34	42.35	189.35
HFRI Diversified FoF Index	0.80	0.20	-0.16	3.42	9.04	4.81	-5.00	5.48	11.45
Bloomberg Barclays U.S. Aggregate Index	-2.98	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	5.93
NCREIF Property Index (NPI)	1.73	7.97	13.33	11.81	10.98	10.54	14.30	13.10	-16.8
NFI – ODCE	2.11	8.77	15.02	12.50	13.94	10.94	16.0	16.4	-29.8
Consumer Price Index (CPI)	0.00	2.07	0.73	0.76	1.50	1.74	2.96	1.50	2.72
CS Leveraged Loan Index	2.25	9.88	-0.38	2.02	6.15	9.40	1.82	9.97	44.87
BofA ML U.S. High Yield Constrained Index	1.88	17.49	-4.61	2.51	7.41	15.55	4.37	15.07	58.10

*Performance is gross of investment management fees and net of administrative expenses and underlying fund expenses, with the exception of Structured Credit Fund, which is gross of investment management fees, and net of administrative expenses. Clients implemented via collective investment trusts incur product-level fees, including trustee and administrative fees, which will affect performance. Performance data as of 12/31/2016. Source: SEI, Datamart. †Special Situations Fund 2009 return is from Oct '09-Dec '09. †† The 2011 return for the SEI Core Property Fund includes a cash-drag, as the fund initially held significant cash prior to becoming more fully invested during the first year of operation. Public market indices included to support assessment of diversification benefits of above strategies. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

Appendix

SEI New ways.
New answers.®

SEI solution – Investment management fee schedule:

Public Fund Assets		Fee
<i>First \$25 million</i>		0.54%
<i>Next \$25 million</i>		0.49%
<i>Next \$50 million</i>		0.44%
Alternative Funds		Fee
<i>Special Situations Collective Fund</i>	1.15%+ .05% CIT+ 0.50% OE	
<i>Structured Credit Collective Fund*</i>	1.25%+ .05% CIT+ 0.50% OE	
<i>Core Property Collective Fund</i>	1.25%+ .05% CIT+ 0.30% OE	



Services Include:

Investment Policy Planning & Statement
 Portfolio Structure - Multiple Asset Classes
 Asset Allocation / Liability Analysis and Implementation
 Investment Management - Specialist, Institutional Managers
 Active Portfolio Management

Access to SEI's Investment Research Team
 Dedicated Client Service Team/Visit & Attend Meetings Regularly
 Dedicated Operations Service Manager
 3(38) Fiduciary
 Secured internet website
 Sub- Advisor Fees

CIT= Collective Investment Trust
 OE= Operating Expenses

*The Structured Credit Collective total expenses were running at 153bps (125/5/23) as of the 12/31/11 audit.

Important information

SIMC develops forward-looking, long-term capital market assumptions for risk, return, and correlations for a variety of global asset classes, interest rates, and inflation. These assumptions are created using a combination of historical analysis, current market environment assessment and by applying our own judgment. In certain cases, alpha and tracking error estimates for a particular asset class are also factored into the assumptions. We believe this approach is less biased than using pure historical data, which is often biased by a particular time period or event.

The asset class assumptions are aggregated into a diversified portfolio, so that each portfolio can then be simulated through time using a monte-carlo simulation approach. This approach enables us to develop scenarios across a wide variety of market environments so that we can educate our clients with regard to the potential impact of market variability over time. Ultimately, the value of these assumptions is not in their accuracy as point estimates, but in their ability to capture relevant relationships and changes in those relationships as a function of economic and market influences.

The projections or other scenarios in this presentation are purely hypothetical and do not represent all possible outcomes. They do not reflect actual investment results and are not guarantees of future results. All opinions and estimates provided herein, including forecast of returns, reflect our judgment on the date of this report and are subject to change without notice. These opinions and analyses involve a number of assumptions which may not prove valid. The performance numbers are not necessarily indicative of the results you would obtain as a client of SIMC.

We believe our approach enables our clients to make more informed decisions related to the selection of their investment strategies.

For more information on how SIMC develops capital market assumptions, please refer to the SEI paper entitled “*Executive Summary: Developing Capital Market Assumptions for Asset Allocation Modeling*.” If you would like further information on the actual assumptions utilized, you may request them from your SEI representative.

Important information

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Through June 30, 2012, annual performance is calculated based on monthly return streams, geometrically linked. From June 30, 2012 onward, annual performance is based upon daily return streams, geometrically linked as of the specific month end.

Performance results do not reflect the effect of certain account level advisory fees. The inclusion of such fees would reduce account level performance, particularly when compounded over a period of years. The following hypothetical illustration shows the compound effect fees have on investment return: For an account charged 1% with a stated annual return of 10%, the net total return before taxes would be reduced from 10% to 9%. A ten year investment of \$100,000 at 10% would grow to \$259,374, and at 9%, to \$236,736 before taxes. For a complete description of all fees and expenses, please refer to SIMC’s Form ADV Part 2A, the investment management agreement between SIMC and each client, and quarterly client invoices.

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