Industry and Local #338 Welfare Plan

Investment Review

Presented by: Patrick Blizzard, Client Portfolio Manager

June 7, 2018

Agenda

- Capital Markets Review & Economic Outlook
- Welfare Plan Assets and Metrics
- Factor Based Investing
- Advice Study
- Appendix

Executive summary: April 30, 2018

Summary

- YTD return was -0.4% vs. -0.5%. One year return was 4.0% vs. 3.2%. FYTD return was 3.1% vs. 2.5%.
- Asset balance as of 4/30/2018 : $7,338,545

Market Outlook

- Global equity valuations may move higher given strong fundamentals.
- Synchronized global expansion should persist as global growth accelerates in 2018.
    - All 45 OECD countries experienced positive growth in 2017, marking the first time in 20 years.
- Global inflation will likely linger below central bank targets in most countries around the world.
- We expect global monetary policy divergence to continue, but remain largely expansionary.
- Global fiscal policy should remain accommodative.
- We do not see a recession on the horizon, but a garden-variety correction in stock prices of 5% to 10% could occur at some point as we believe that the market is overdue; in 2017, the S&P 500 Index did not register a price correction greater than 3%.

Portfolio Highlights

- The U.S. Treasury Yield curve flattened in the quarter as short-term rates increased but long-term rates declined. Credit spreads generally finished at their tightest levels of the year in an environment favoring non-Government sectors over Treasuries.
- U.S. equities charged into year-end with sustained strength, capping a strong year of returns. Growth outperformed value while large cap names outperformed their small cap counterparts during the fourth quarter.
- The U.S. Federal Reserve increased its funds rate, as expected, in December and maintained projections for three additional hikes in 2018. The pace of growth for U.S. manufacturing conditions continued to accelerate as year-end approached. Joblessness remained low while consumer confidence fell only slightly from 17-year highs

Fiscal Year ends 6/30

Please refer to the Portfolio Performance page for additional information on portfolio performance.

SEI's research and perspectives: March 2018

Research

Market Correction: Making Things Better
Jim Solloway, Managing Director and Portfolio Manager of SEI's Investment Unit, explains why stock market corrections are necessary for the health of the overall market.

Revisiting the Global Financial Crisis: Decline, Recovery and an Aging Bull
Read our view on the importance of sticking to a long-term investment strategy through market cycles.

2018 Fixed Income Manager Survey
A survey regarding economic fundamentals and high market expectations for fixed income in 2018.

Video: Fixed Income Outlook
Bill Lawrence, Chief Investment Officer of SEI's Traditional Strategies, provides our positioning.

Ranked among the nation's best

- **SEI is the largest OCIO for Multiemployers***
- **SEI was named the 'Top OCIO Provider'**
  at the Fund Intelligence 2017 Institutional Asset Management Awards.
- **SEI ranked among the leading institutional outsourced managers**
  by *Pensions & Investments* for the seventh year in a row.
- **SEI ranked in the top 10% of money managers**
  by *Pensions & Investments* for the eighth year in a row.
- **SEI ranked as one of the best places to work in money management**
  by Pensions & Investments for the fourth time in five years.

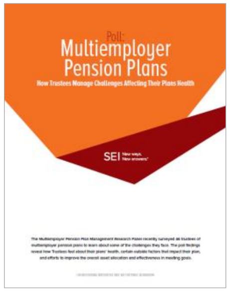
Institutional Asset Management Awards 2017
Winner
Top OCIO Provider

2011-2017
Pensions&Investments
LEADING OUTSOURCER
RANKED BY WORLDWIDE ASSETS
SEI

Pensions&Investments
BEST PLACES TO WORK
IN MONEY MANAGEMENT
2017

Recently Released!

2017 Poll: Multiemployer Pension Plans



Poll results are in! We recently surveyed several multiemployer plans to learn about some of the challenges they face. Full report on *seic.com*

Q1 2018

$92.6 billion	$335 billion
Institutional AUM	Total worldwide AUM

Financials as of March 31, 2018. Top OCIO Provider at the Fund Intelligence 2017 Institutional Asset Management Awards as of November 2017. Pensions & Investments ranked SEI in the top 10% of money managers (59 out of 583) as of December 2017. Pensions & Investments ranked SEI as the fourth largest outsourcer based on worldwide institutional outsourced assets under management in 2017. * Based on competitive research utilizing publicly available information as of 9/30/2017. Largest based on number of union clients, and/or based on union client assets under management in SEI's OCIO program for which SEI has discretion for money manager hiring and replacement decisions on behalf of those clients. *Distinction based on competitive research utilizing publicly available information as of 12/31/17. Largest based on number of Multiemployer clients, and/or based on Multi-employer client assets under management in SEI's OCIO program for which SEI has discretion for money manager hiring and replacement decisions on behalf of those clients.

Capital Markets and Economic Overview

Market performance overview

- A rewarding 2017 was still apparent in trailing 12-month returns, but most assets struggled in the first three months of 2018. Concerns about Fed tightening, trade wars, and the sudden return of stock market volatility were headwinds to risk taking. We expect volatility to remain at these more normal levels but believe risk assets should still provide attractive returns.

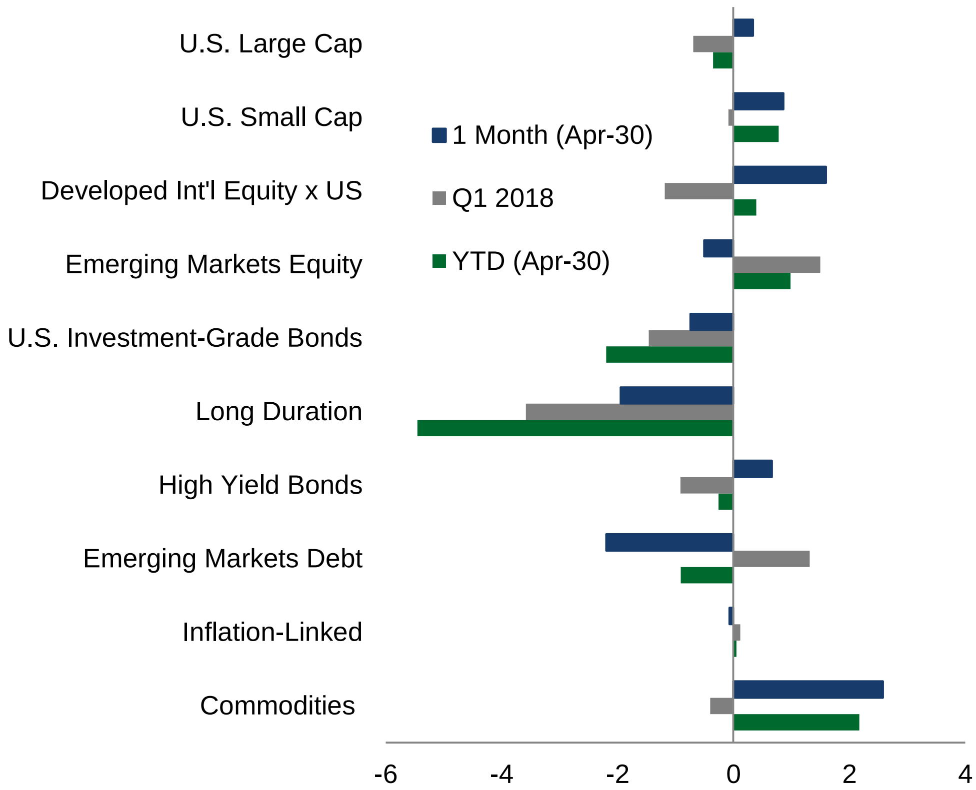
- Emerging market (EM) equities and debt were the lone standouts in the quarter, managing to hold onto positive year-to-date gains. Relatively dovish EM central banks, U.S. tax cuts, and country-specific insulation from U.S. trade threats provided some support.

- U.S. yield curves shifted higher and credit spreads widened slightly during the volatile quarter, causing fixed-income returns (especially in longer-duration bonds) to sag.

- Inflation-linked bonds were flat but outperformed most nominal bond indexes in the first quarter, thanks to a strong January inflation report and a rise in real rates.

- Although the U.S. dollar continued its decline from late 2016 into early February 2018, commodities slipped a bit in the quarter on intensifying trade-war fears.

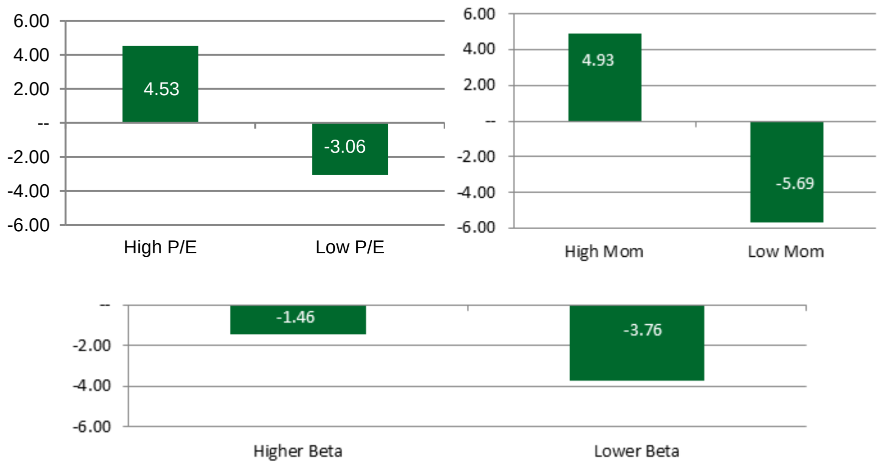
Financial Markets Review (%)

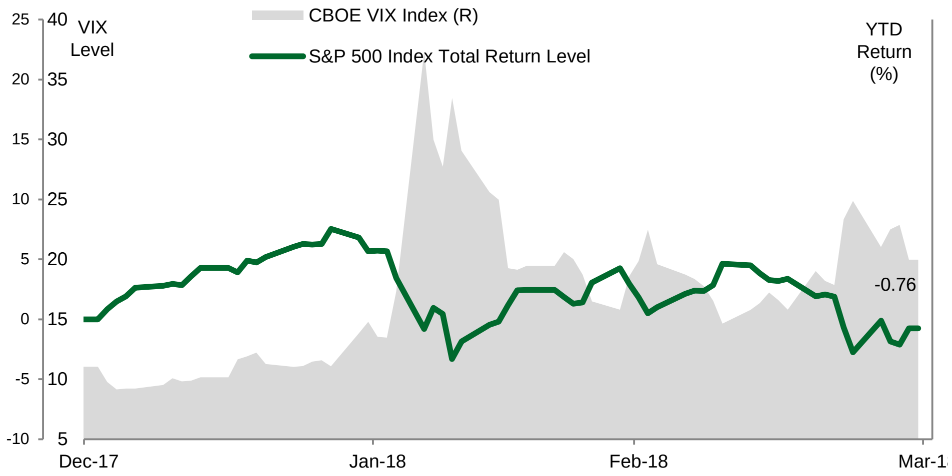


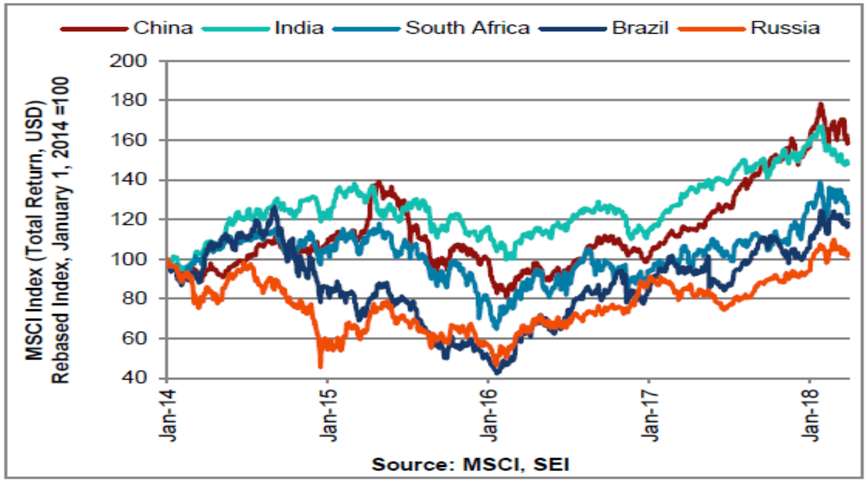
U.S. Large Cap = Russell 1000, U.S. Small Cap = Russell 2000, Developed International Equity x U.S. = MSCI ACWI ex-US, Emerging Markets Equity = MSCI EFM (Emerging+Frontier Markets), U.S. Investment Grade Bonds = Bloomberg Barclays U.S. Aggregate, High Yield = BofA ML Master II HY Constrained, Emerging Markets Debt = 50% JPM EMBI GD / 50% GBI- EM GD Indexes, Long Duration = Bloomberg Barclays Long US Govt/Credit, Inflation Linked = Barclays 1-5 Year TIPS, Commodities = Bloomberg Commodity. Sources: Factset, SEI. Past performance is no guarantee of future results. As of 3/31/18.

Equity markets review

US Equity Factor Performance for Q1





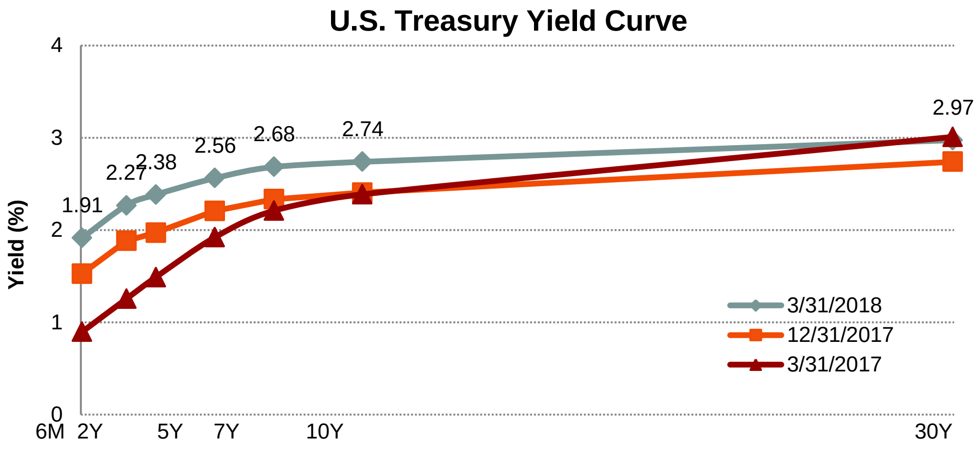


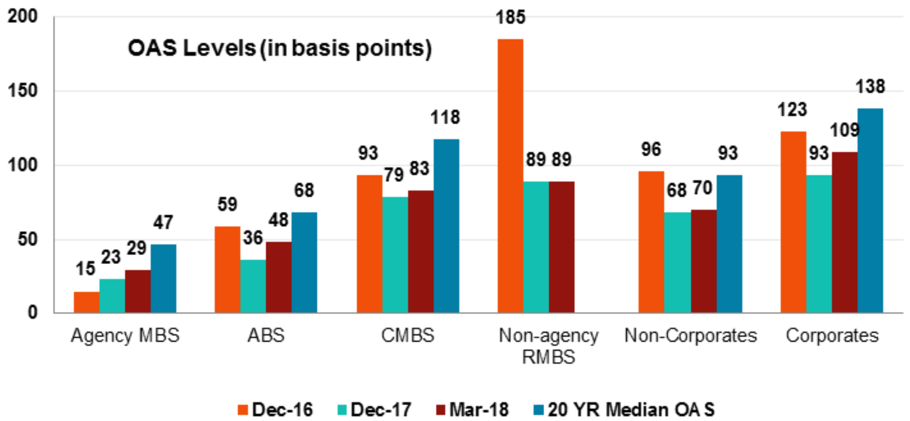
- Equities tumbled around the globe during the first quarter after climbing to record highs in late January as concerns about a rise in bond yields and inflation led to an increase in overall volatility
- Within the US equity market, small caps outperformed large caps by 60bps while growth stocks (R3000G Index) outperformed value (R3000V Index) by 430bps despite the strong pullback in technology stocks in March.
  - Among US stocks, information technology was the best performing sector for the quarter with a 4.03% return followed by consumer discretionary at 1.93%.
  - Telecommunication services were the worst performing sector at -7.28% followed by consumer staples (-6.73%), Real Estate (-6.18%) and Energy (-6.04%)
  - Areas of the market with a strong correlation to rates struggled throughout the quarter.
- Specific world markets remained strong with emerging markets up 1.42% (USD) for the quarter. Within emerging markets, Latin America (+8.02%) and Frontier Markets (+5.10%) were some of the best performers of the asset class.

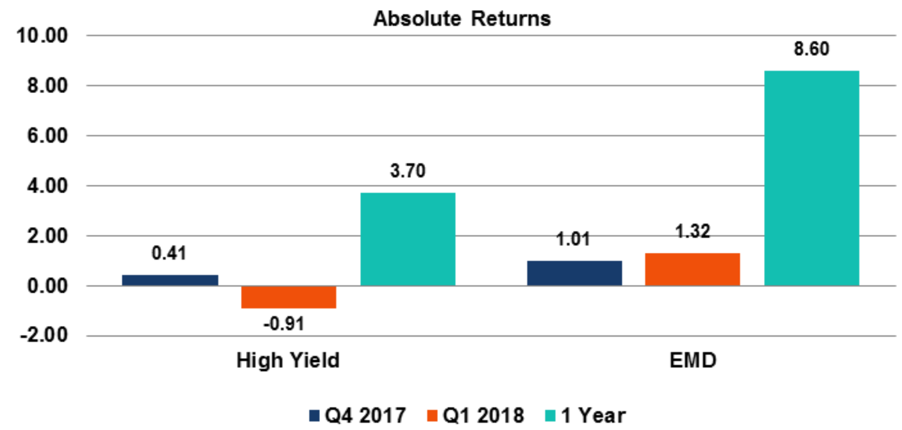
Source: Top left: FactSet, SEI. High (Low) P/E = Top (Bottom) Quintile of R1000 stocks based on 1-year Forward Price to Earnings Ratio. High (Low) Beta: Top (Bottom) Quintile of R1000 stocks based on Beta to the R1000. High (Low) Momentum: Top (Bottom) Quintile of R1000 stocks based on 12-month Price Momentum. Top right: SEI, Factset. Bottom: MSCI, SEI.

Fixed income review

- US Treasury yields moved higher to close the first quarter as expectations for growth, inflation and interest rates increased.
- The US yield curve shifted higher during the quarter and continued to flatten with shorter-date maturities impacted by rate hikes and increase in US Treasury supply.
- IG Corporate bonds were negative for the quarter, underperforming US Treasuries by 80bps while non-investment grade and leveraged loans proved to be stronger.
- IG Corporate bonds saw an increase in supply of debt for the quarter which contributed to some of the difference vs. lower quality debt.
- EM Debt continued to be the strongest fixed income asset class for the quarter







Top right chart: Bloomberg, SEI . Bottom left chart: Source: Bloomberg Barclays. 20-Year Median option-adjusted spread (OAS) calculated based on monthly data beginning 12/31/1995. CMBS OAS data begins 7/30/1999. * Non-agency RMBS OAS calculated on the subprime holdings within SIIT Core Fixed Income; ** As of 6/30/14 Agency CMBS was added to the Barclays Aggregate. The OAS presented above does not include agency CMBS and is the OAS of non-agency CMBS that is Aggregate eligible. Option-Adjusted Spreads estimate the difference in yield between a security or collection of securities and comparable Treasuries after removing the effects of any special features, such as provisions that allow an issuer to call a security before maturity. Bottom right: SEI, US HY = BofA ML Master II HY Constrained, EMD = 50% JPM EMBI GD / 50% GBI-EM GD Index.

Looking towards the second-half of 2018

- Despite recent concerning headlines, we think it's best to focus on the strong fundamental backdrop as profits growth remains vibrant and inflation is still well-contained
- The passage of large tax cuts in late 2017 followed by aggressive additional budget spending plans should provide an additional boost to U.S. growth
- Global manufacturing sentiment remains buoyant and broad based, driven by U.S., Europe, and Japan
- Absent a serious deterioration in global trade relations in coming months, recent weakness in some data reflects a soft patch in an otherwise robust global expansion, rather than an inflection point for the worse
- The dynamics of synchronized growth translating into a recovery in investment and trade, supported by accommodative policy still holds true

Source: SEI, Markit, Haver Analytics, Barclays Research

Late-stage bull market means caution warranted but markets may have some room left to run

- We believe we are starting to transition from the expansion phase to the stress stage of the current market cycle.
- We're beginning to see volatility rise, credit spreads creep up, interest rates push higher, yield curves flatten out, and economic indicators peaking.
- With this said, the transition can take some time, and we believe there is still some gas left in the current bull market that should be supportive of risk-on positioning.
- With volatility expected to remain at higher, more normal levels, managers have been applying risk budgets carefully and opportunistically.

Economic Cycle

	EXPANSION	STRESS	DISTRESS	RECOVERY
Equity	› Mid-stage bull market › Real earnings growth continues at a healthy pace › Price multiples expand	› Late-stage bull market › Real earnings grow, but at a slower pace › Price multiples flat or expanding, based on higher prices and slowing growth	› Bear market › Real earnings growth falling › Price multiples fall from elevated levels	› Early-stage bull market › Real earnings growth rebounding › Price multiples can contract based on strong earnings, but then reverse
Fixed Income	› Economy re-levers, interest rates begin to rise › Government yield curve begins to normalize › Credit spreads are tightening	› Slowing debt growth; central-bank tightening › Government yield curve shifts upward, flattens › Credit spreads tight; defaults pick up	› Credit dries up; central-bank easing › Government yield curve shifting downward › Credit spreads widening	› Deleveraging and stimulus continue › Government yield curve moves down, steepens › Credit spreads begin to narrow

Source: SEI.

The Outlook: A New Phase for Equities

The good news

- Growth in the global economy remains solid, with further improvement likely over the next 12-to-18 months.
- U.S. companies are enjoying exceptional profits growth, aided not just by lower tax rates but also accelerating revenue growth.
- The surge in earnings per share, combined with the correction in equity prices, have sharply reduced the U.S. stock market's price-earnings ratio, easing short-term valuation concerns.
- Although stock-market volatility has increased, there are few signs of financial stress commonly associated with the end of a bull market in risk assets.
- Until we get an aggressive tightening of monetary policy and see the outlines of a looming recession, we will continue to give the bull market in equities and other risk assets the benefit of the doubt.

The bad news

- The equity-market correction has ushered in a period of increased volatility and financial-market uncertainty.
- The specter of a trade war with China and other countries has hurt investor sentiment, although it is unclear how damaging protectionist actions ultimately will be to global economic growth and financial markets.
- As economic growth gains additional traction, major central banks will join the Fed in reducing their balance-sheet holdings and raising interest rates.
- Political developments that bear watching include the Brexit negotiations and the May government's declining popularity in the U.K., a possible governing coalition of anti-euro and anti-immigrant parties in Italy, a political scandal in Japan that threatens Prime Minister Abe's position and the possibility of a "wave election" in the U.S. that could result in a Democratic majority in the House of Representatives.

Plan Assets and Metrics

Important information: Asset valuation and portfolio returns

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

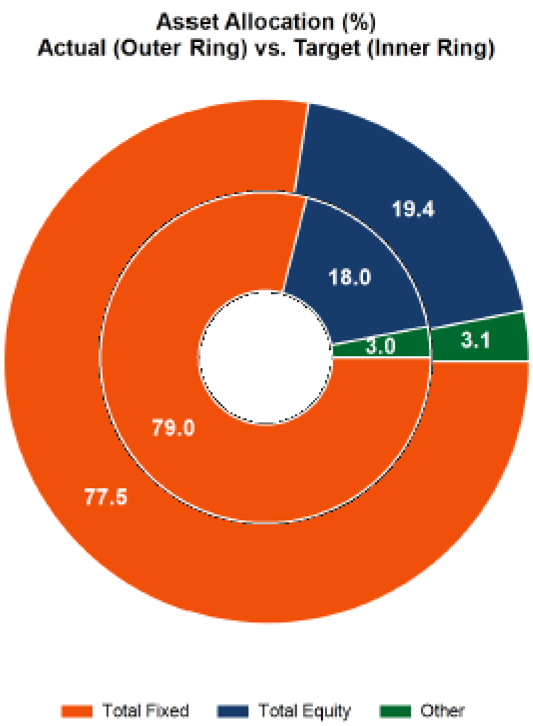
Alternative, Property and Private Assets valuations and performance may be reported on a monthly or quarterly lag.

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 6/30/2017, the Total Index Composition is as follows:

30.0 %	Bloomberg Barclays US Agg Bond Index
15.0 %	ICE BofA ML 1-3 Year Treasury Index
15.0 %	ICE BofA ML 3 Mth Cons Mat LIBOR Index
15.0 %	Blmbrg Barcl 9-12 Month Short Treas Index
8.0 %	Russell 1000 Index
6.0 %	MSCI All Country World ex US Index
3.0 %	Hist Blnd: Dynamic Asset Allocation Index
2.0 %	Hist Blnd: Emerging Markets Debt Index
2.0 %	Hist Blnd: High Yield Bond Index
2.0 %	MSCI Emerging + Frontier Mkts Index (Net)
2.0 %	Russell 2000 Index

Portfolio asset summary: 4/30/2018



Asset Class	Target Allocation	Actual Allocation	Market Value
SEI Large Cap Index Fund	8%	8.6%	$630,723
SEI World Equity Ex-US Fund	6%	6.5%	$478,142
SEI Emerging Markets Equity Fund	2%	2.2%	$165,082
SEI Small Cap Fund	2%	2.1%	$151,559
Total Equity	18%	**19.4%**	**$1,425,506**
SEI Core Fixed Income Fund	30%	29.1%	$2,125,951
SEI Opportunistic Income Fund	15%	15.0%	$1,100,862
SEI Ultra Short Duration Fund	15%	14.8%	$1,083,152
SEI Limited Duration Fund	15%	14.6%	$1,075,040
SEI Emerging Markets Debt Fund	2%	2.0%	$149,449
SEI High Yield Bond Fund	2%	2.0%	$148,347
Total Fixed Income	79%	**77.5%**	**$5,682,802**
SEI Dynamic Asset Allocation Fund	3%	3.1%	$230,237
Other	3%	**3.1%**	**$230,237**
Total	**100%**	**100.0%**	**$7,338,545**

Portfolio performance: 4/30/2018

	Cumulative (%)										Annualized			
	1 Month	3 Month	YTD	FYTD ‘17-’18	FY ‘16-’17	FY ‘15-’16	FY ‘14-’15	FY ‘13-’14	FY ‘12-’13	FY ‘11-’12	1 Year	3 Year	5 Year	Inception 1/31/2011
Total Portfolio Return	-0.11	-1.38	-0.38	3.14	4.25	2.95	2.26	8.33	4.92	7.00	4.02	3.28	3.71	4.94
Total Portfolio Blended Index	-0.09	-1.38	-0.52	2.49	2.69	3.00	1.87	7.01	3.02	6.20	3.18	2.51	2.92	3.98

	Calendar Years (%)					
	2017	2016	2015	2014	2013	2012
Total Portfolio Return	6.95	4.44	0.58	5.42	4.80	8.95
Total Portfolio Blended Index	5.87	3.17	0.42	5.06	3.28	6.43

	One Month	Three Month	Year To Date
Portfolio Value	$7,347,375	$7,444,108	$7,370,590
Net Cash Flows	$0	$0	$0
Gain / Loss	($8,829)	($105,562)	($32,044)
Ending Portfolio Value	$7,338,545	$7,338,545	$7,338,545

Fiscal year is June 30

Equity strategies

Strategies	April 2018	Q1 2018	YTD 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
SIIT Large Cap Index Fund	**0.33**	**-0.69**	**-0.36**	**21.61**	**12.06**	**0.91**	**13.22**	**33.14**	**16.35**	**1.51**	**16.11**	**28.66**
Russell 1000 Index	0.34	-0.69	-0.35	21.69	12.05	0.92	13.24	33.11	16.42	1.50	16.10	28.43
SIIT Small Cap Fund	**0.47**	**-0.57**	**-0.10**	**9.90**	**18.42**	**-3.07**	**4.04**	**41.89**	**14.37**	**-4.90**	**24.68**	**38.05**
Russell 2000 Index	0.86	-0.08	0.78	14.65	21.31	-4.41	4.89	38.82	16.35	-4.18	26.85	27.17
SIIT World Equity Ex-US Fund	**0.53**	**-0.21**	**0.31**	**29.88**	**4.20**	**-5.62**	**-2.34**	**18.32**	**18.70**	**-12.75**	**13.40**	**35.30**
MSCI All Country World ex US Index	1.60	-1.18	0.40	27.19	4.50	-5.66	-3.87	15.29	16.83	-13.71	11.15	41.45
SIIT World Select Equity Fund	**0.47**	**0.70**	**1.17**									
MSCI ACWI	0.95	-0.96	-0.02									
SIIT Emerging Markets Equity‡	**-1.89**	**3.19**	**1.24**	**34.29**	**10.92**	**-11.22**	**-5.18**					
MSCI EFM (Emerging + Frontier Markets) Index (Net) (USD)	-0.51	1.50	0.99	37.15	10.98	-14.90	-5.69					

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

Data as of 4/30/2018, Source: SEI Data Portal, 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

Strategies	April 2018	Q1 2018	YTD 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
SIIT Core Fixed Income Fund	**-0.74**	**-1.32**	**-2.04**	**4.29**	**3.49**	**0.96**	**6.87**	**-1.10**	**7.23**	**8.12**	**9.96**	**15.55**
Bloomberg Barclays US Aggregate Bond Index (USD)	-0.74	-1.46	-2.19	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	5.93
SIIT High Yield Bond Fund	**0.88**	**-0.40**	**0.48**	**8.35**	**17.59**	**-3.89**	**2.82**	**8.32**	**17.24**	**5.58**	**17.97**	**58.84**
BofA Merrill Lynch US High Yield Constrained Index (USD)	0.67	-0.91	-0.25	7.48	17.49	-4.61	2.51	7.41	15.55	4.37	15.07	58.10
SIIT Opportunistic Income Fund	**0.33**	**0.78**	**1.12**	**4.16**	**4.45**	**1.15**	**2.31**	**2.77**	**7.50**	**1.60**	**7.38**	**15.93**
BofA Merrill Lynch USD 3-Month LIBOR Constant Maturity Index (USD)	0.18	0.33	0.51	1.11	0.66	0.23	0.23	0.24	0.51	0.27	0.33	0.99
SIIT Emerging Markets Debt Fund	**-2.10**	**2.09**	**-0.05**	**15.96**	**11.09**	**-7.63**	**0.16**	**-8.42**	**19.15**	**5.96**	**15.82**	**43.08**
50/50 JPM EMBI Global Div & JPM GBI EM Global Div*	-2.20	1.32	-0.91	12.74	10.16	-7.14	0.71	-7.10	17.18	7.35	12.24	29.82
SIIT Limited Duration Bond Fund ǂ	**-0.01**	**0.00**	**-0.01**	**1.40**	**1.85**	**0.87**	**0.16**					
BofA Merrill Lynch 1-3 Year US Treasury Index (USD)	-0.16	-0.13	-0.29	0.42	0.89	0.54	0.29					
SIIT Ultra Short Duration Fund	**0.20**	**0.24**	**0.44**	**1.87**	**1.95**	**0.83**	**0.84**	**1.03**	**2.93**			
Bloomberg Barclays Short US Treasury 9-12 Month Index (USD)	0.09	0.30	0.38	0.68	0.79	0.20	0.17	0.25	0.23			

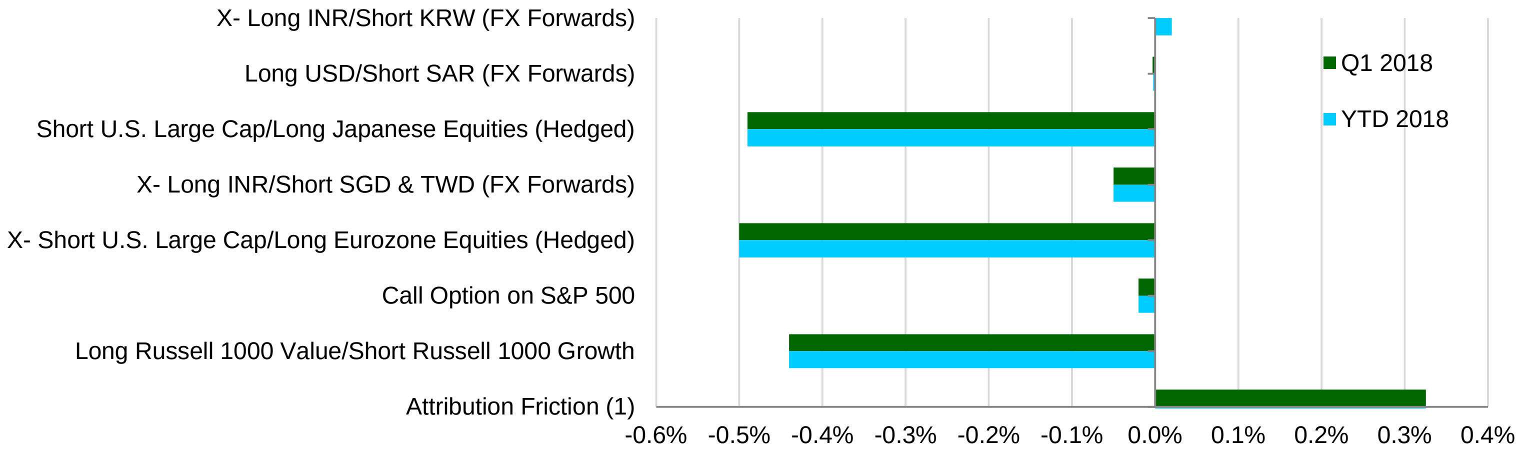
*Prior to 9/30/2012, benchmark is 100% JPM EMBI Global Diversified. ǂ 2014 Performance is from 7/31/2014-12/31/2014.

Data as of 4/30/2018, Source: SEI Data Portal, 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: Performance review

Performance	April 2018	Q1 2018	YTD 2018	2017	2016	2015	2014	2013	2012	2011	2010ǂ	Since Inception
SEI Dynamic Asset Allocation Fund (Inception Date: 7/30/10)	**0.88**	**-1.91**	**-1.04**	**19.85**	**12.34**	**4.76**	**18.75**	**29.53**	**14.09**	**2.79**	**8.14**	**13.85**
SEI Blended Benchmark**	0.38	-0.76	-0.38	21.83	11.96	1.38	13.69	31.04	11.60	7.71	6.89	13.32
Excess Return	0.50	-1.15	-0.66	-1.98	0.38	3.37	5.06	-1.51	2.49	-4.92	1.25	0.53

Alpha attribution by trade/theme

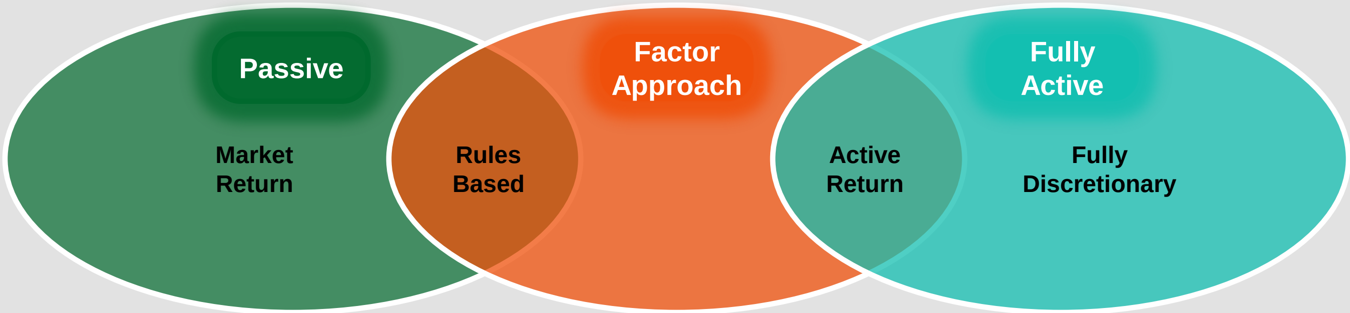


[1]A number of factors may contribute to attribution friction. Most commonly, attribution friction results from the compounding of alpha due to the performance of the beta, cash flows in DAA, sizing of static positions that are not exactly matched to a notional percentage of DAA and other general market frictions. ǂ 2010 Performance is from 7/30/2010 – 12/31/2010.
**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% iBoxx $ Liquid High Yield Index (USD) and 10% JP Morgan EMBI Global (USD) , and from February 2013 to present the benchmark is 100% S&P 500 Index.
Performance data as of 4/30/2018. Alpha Attribution data as 3/31/2018. Source: SEI Data Portal. 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.

Factor Based Investing

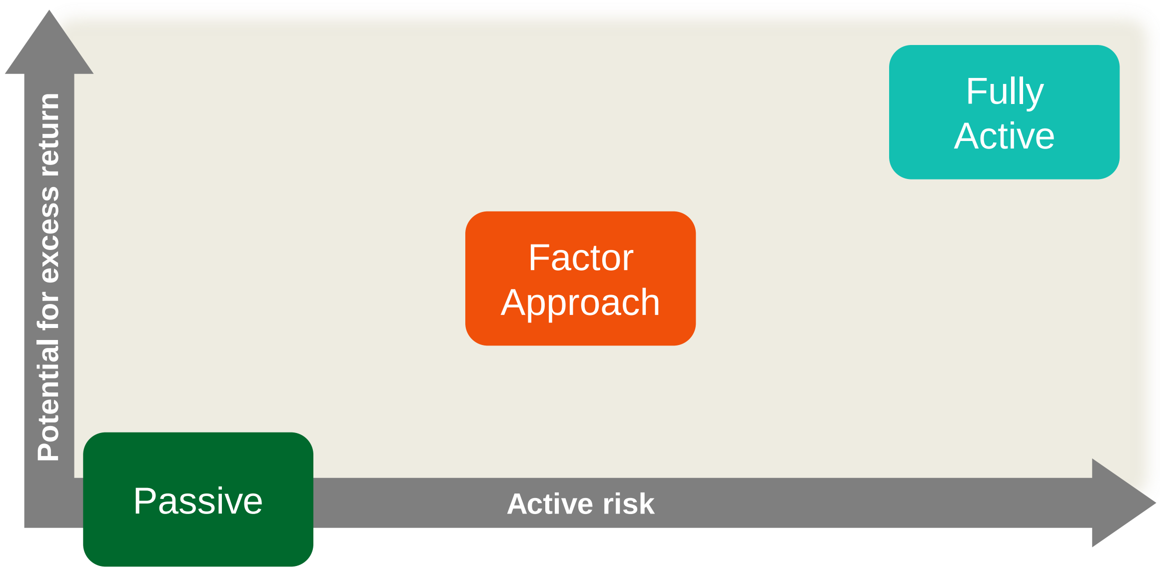
Where do factor strategies fit within the landscape of equity investing?

Strategies aiming to capture systematic sources of excess return, or ‘factors’, offer a middle ground between active and passive.



What are your return goals and objectives?

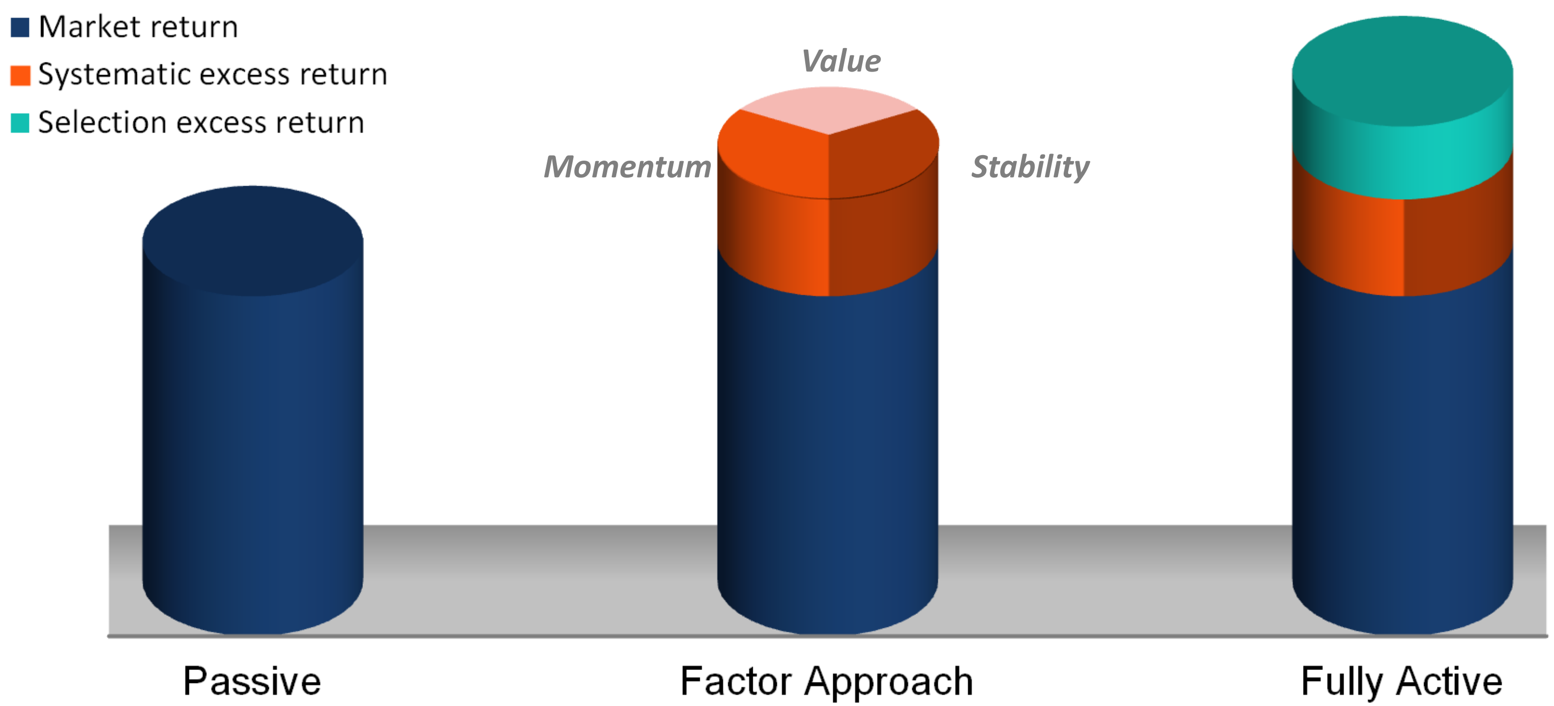
What is your commitment to pursuing a better risk-adjusted return experience?



What is your tolerance for performance swings around the index?
How much are you willing to stand out from the crowd?

For illustrative purposes only.

Deconstructing the different approaches to equity investing



Market or index return

Market return
+
Excess returns captured systematically, through exposure to 'factors'

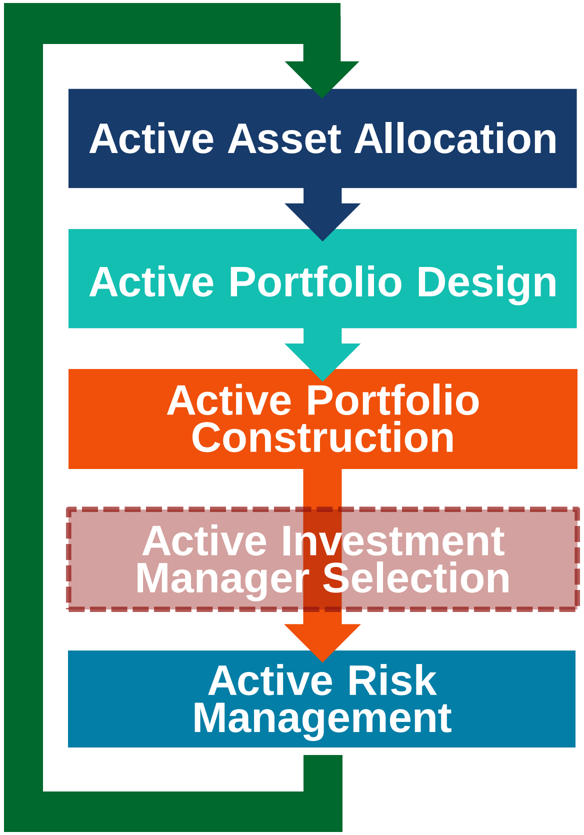
Market return
+
Excess returns captured systematically
+
Excess returns captured through skillful stock-picking

For illustrative purposes only.

The factors SEI aims to capture, and the supporting evidence for why they should work

Factor Family	Value	Momentum	Stability
Example metrics	• Price to book • Price to sales • Price to earnings • Price to cash flow	• Price momentum • Earnings momentum • Earnings revisions • Upgrades/downgrades	• Profit margin stability • Return on assets • Low price volatility • High solvency
Factor description	Mean reversion – cheap (and expensive) stocks move back toward fair value	Trend – price movements persist as the market fully digests new information	Stable compounding – slow and steady wins the race
Behavioral bias being exploited	Overreaction – the pendulum swings too far when stocks fall out of favor	Anchoring – investors resist the idea that their forecasts were wrong	Lottery preference – investors overpay for lottery-like outcomes
Risk being rewarded	Cheap stocks can be “cheap for a reason” or continue to be out of favor for a protracted period of time	Market’s speed of incorporating new information may shift, creating risk of whipsaw or capitulation	More speculative stocks can be the big winners, for a time, reducing the relative attractiveness of the stable earners
Factor generates performance when…	Excessive pessimism gives way and the market revalues	Market trends develop and run their course in typical fashion	Less volatile, more steady returns compound faster

SEI is well-positioned to implement and actively allocate among factors



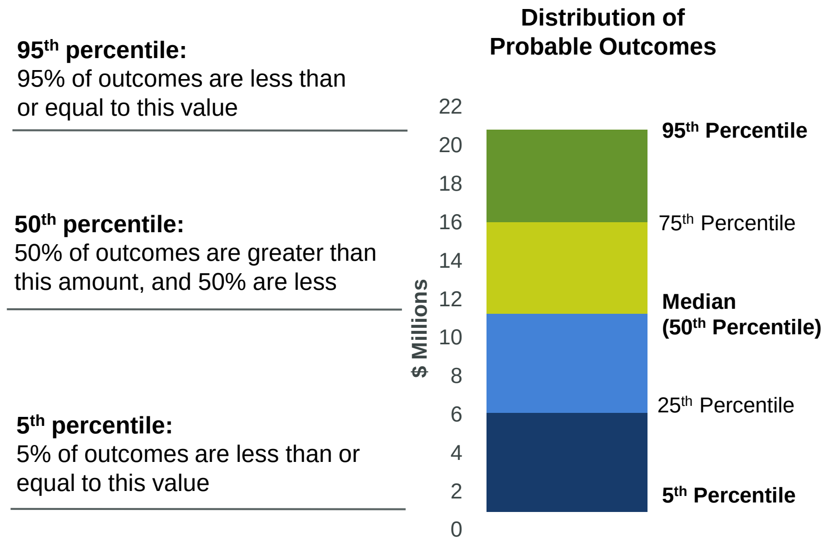
- Identifying factor exposures or alpha sources has been a key piece of SEI's philosophy for over 25 years
- SEI's long-standing investment philosophy and process includes
  - Active Portfolio Design: research into market inefficiencies and drivers of risk and return
  - Active Portfolio Construction: diversification across multiple sources of return; active management of exposures based on economic conditions
- We believe we are well-positioned to bring active factor allocation to our clients

Advice Slides

SEI New ways. New answers.®

How we create probability distributions and what they mean

- The probability distribution graphs and / or tables that follow are meant to provide an overview of the range of possible outcomes for a given variable (e.g., returns, pension contributions, expense) for a given asset allocation.
- The probability distributions are generated using SEI's proprietary modeling tool and simulated capital market behavior.
- Capital market behavior is simulated for 1,000 possible scenarios based on expected performance of each asset class and reflecting current economic conditions. Capital market assumptions such as return, standard deviation and covariances are inputs into this process, combining with model parameters to create market scenarios.
- We use these 1,000 capital market scenarios to create 1,000 output scenarios for each variable being considered.
- A 90% confidence interval should be interpreted as 90% of the projected output variables, falling between the 5% and 95% results, based on SEI Capital Market Assumptions.
- This projection is hypothetical in nature, does not reflect actual investment results and is not a guarantee of future results.

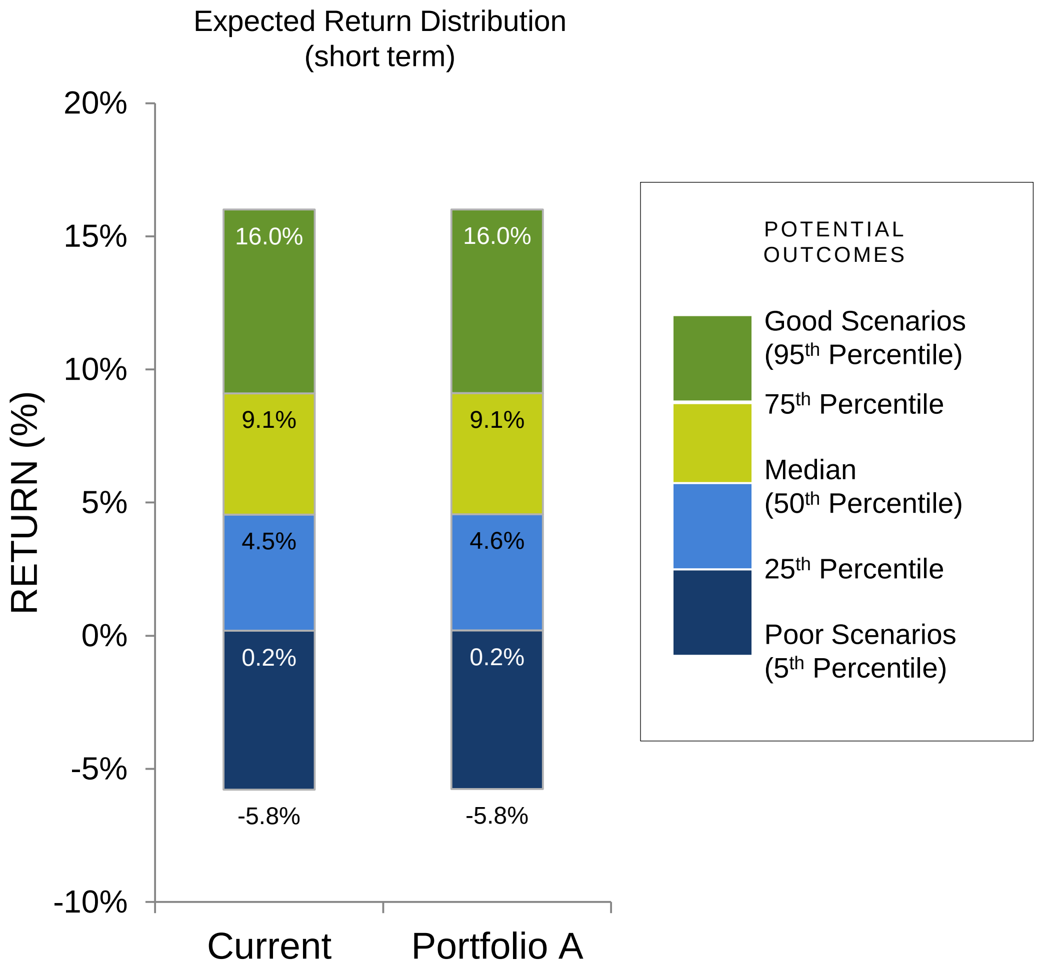


About Capital Market Assumptions

- SEI Investment Management Corporation develops forward-looking, long-term capital market assumptions for risk, return, and correlations for a variety of global asset classes, currencies, interest rates, and inflation.
- These assumptions are created using a combination of historical analysis, future market environment expectations 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 may be affected by unsustainable trends or permanent material shifts in market conditions.

Modeled Welfare Portfolios: Local 338

Asset Class	Current	Portfolio A
Russell 1000 Large Cap Index	8.0%	4.0%
US Small Cap Equity	2.0%	1.0%
US Factor Based	-	5.0%
World Equity ex-US	6.0%	6.0%
Emerging Markets Equity	2.0%	2.0%
U.S. High Yield	2.0%	2.0%
Emerging Markets Debt	2.0%	2.0%
Dynamic Asset Allocation	3.0%	3.0%
Total Return Enhancement Exposure	25.0%	25.0%
Diversified Short Term Fixed Income	15.0%	15.0%
Short Term Corporate Fixed Income	15.0%	15.0%
Limited Duration Fixed Income	15.0%	15.0%
Core Fixed Income	30.0%	30.0%
Total Risk Management Exposure	75.0%	75.0%
Portfolio Metrics (net of fees)		
Expected Return (short term)	4.5%	4.6%
Expected Return (equilibrium)	6.6%	6.7%
Risk	6.6%	6.6%
Sharpe Ratio	0.42	0.42
Poor Scenario Return (short term)	-5.8%	-5.7%
Fee Impact	-	-



Source: SEI Capital Market Assumptions.
Please see important disclosures at the beginning of this section and at the back of the presentation.

Appendix

SEI New ways. New answers.®

Modeled Welfare Portfolios: Local 338

Asset Class	Prior Portfolio	Current Portfolio
US Large Cap Fundamental Equity	3.0%	-
Russell 1000 Large Cap Index	4.0%	8.0%
US Small Cap Equity	2.0%	2.0%
World Equity ex-US	5.0%	6.0%
Emerging Markets Equity	-	2.0%
U.S. High Yield	2.0%	2.0%
Emerging Markets Debt	1.0%	2.0%
Dynamic Asset Allocation	3.0%	3.0%
Total Return Enhancement Exposure	**20.0%**	**25.0%**
Diversified Short Term Fixed Income	10.0%	15.0%
Short Term Corporate Fixed Income	10.0%	15.0%
Limited Duration Fixed Income	30.0%	15.0%
Core Fixed Income	30.0%	30.0%
Total Risk Management Exposure	**80.0%**	**75.0%**
Total	**100.0%**	**100.0%**

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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