MONTHLY MARKET COMMENTARY | **AUGUST 2022**

The sun sets on summer's rebound.

Monthly Snapshot

- Summer break ended early for the equity market as the rally that started in June began to cool by mid-August. Market watchers attributed the reversal to the Federal Reserve reaffirming its commitment to overcoming high inflation despite anticipated economic pain.
- The bond market's early-summer rebound faltered even sooner in August as interest rates climbed around the world (yields and prices have an inverse relationship).
- There is no denying that rising interest rates slow economic growth. But the timeline remains to be determined since changes in monetary policy affect the economy with a long and variable lag.

Summer break ended early for the equity market as the rally that started in June began to cool by mid-August. Stocks then began a concerted selloff that lasted through the end of the month. Developed-market equities led the slide; while emerging-market shares followed a similar path, they ended August essentially flat due to a milder decline.

Market watchers attributed the rally's reversal to signaling from the Federal Reserve (Fed) that it remains committed to overcoming high inflation despite anticipated economic pain. The Fed's annual Jackson Hole conference for central bankers once again served as a forum to deliver a forceful message on its priorities. Fed Chair Jerome Powell opened the conference by explaining that lower growth and softer labor markets will likely be the unfortunate costs of hiking rates to fight inflation, and that expectations for a premature pivot to looser policy will probably be disappointed.

European shares tumbled harder than other developed-market regions in August, departing from a recent pattern of U.S.-led market action. U.K. shares also declined significantly, while the U.S. and Hong Kong fared less poorly. Japanese equities suffered the mildest slide among major developed markets. Mainland Chinese shares were slightly positive.

The bond market's early-summer rebound, which began at roughly the same time as the bounce in equities, faltered at the start of August as interest rates climbed around the world (yields and prices have an inverse relationship). Government bond rates rose across the yield curve in the U.S., U.K., and eurozone during August, with shorter-term rates outpacing longer-term rates on the upside. The greater move in shorter-term rates lengthened the inversions (that is, when shorter-term rates are higher than longer-term rates) along the Treasury and U.K. gilt yield curves.

Government bonds from developed markets outside of the U.S. were the worst performers in fixed income for the month—trampled by rising rates combined with the accelerating (near-relentless) climb in the U.S. dollar (measured by the U.S. Dollar Index). Local-currency denominated emerging-market debt had the bond market's mildest loss for the month.

Key Measures: August 2022

EQUITY		
Dow Jones Industrial Average	-3.72%	↓
S&P 500 Index	-4.08%	↓
NASDAQ Composite Index	-4.53%	↓
MSCI ACWI Index (Net)	-3.68%	↓
BOND		
Bloomberg Global Aggregate Index	-3.95%	↓
VOLATILITY		
Chicago Board Options Exchange Volatility Index PRIOR Month: 21.33	25.87	↑
OIL		
WTI Cushing crude oil prices PRIOR Month: $98.62	$88.83	↓
CURRENCIES		
Sterling vs. U.S. dollar	$1.16	↓
Euro vs. U.S. dollar	$1.01	↓
U.S. dollar vs. yen	¥138.95	↑

Sources: Bloomberg, FactSet, Lipper

The Bloomberg Commodity Index was barely changed for the full month, with a mere 0.16% decline that masked much sharper moves by individual commodity prices. West-Texas and Brent Intermediate crude oil spot prices dropped in August by 9.93% and 8.68%, respectively, while natural gas prices jumped by 11.30%. Wheat prices climbed by 3.10%.

The Group of 7 (G7) set a price cap on Russian oil at the beginning of September, enforced by refusing to allow or underwrite maritime transportation at prices above the threshold. More than 90% of seaborne shipping is insured by G7 member countries, and the U.K. serves an outsized role in the insurance trade.

The threat to Europe's access to natural gas increased as Russia's Gazprom closed the Nord Stream 1 pipeline at the end of August for maintenance, and then announced in early September that it would remain closed for longer than initially projected.

Ukraine mounted a counteroffensive in late August that targeted the region around Kherson, which is in the southern part of the country that has been occupied by Russia since shortly after its invasion.

Russia announced joint military drills with China, India, and other nations taking place in its far east and the Sea of Japan during early September. The exercises will include more than 50,000 troops and 60 warships.

Economic data

U.S.

- The Personal Consumption Expenditures Price Index (the Fed's preferred inflation measure) fell to 6.3% year over year through July from 6.8% in June, easing off a 40-year record high.
- Manufacturing growth in the U.S. continued to slow in August, reflecting a modest expansion after declining sharply in June.
- U.S. services activity shrank at an accelerating pace in August after tumbling into contraction during July.
- U.S. nonfarm payrolls increased by 315,000 in August, but the unemployment rate climbed to 3.7% (from 3.5% in July) as the labor-force participation rate increased (thereby expanding the pool of potential workers).
- U.S. job openings rose to 11.24 million during July from 11.04 million in June. The number of unemployed Americans measured 5.67 million in July, meaning there were about two jobs available for every jobseeker.
- The overall U.S. economy contracted during the second quarter by an annualized 0.6% after declining by 1.6% during the first quarter.

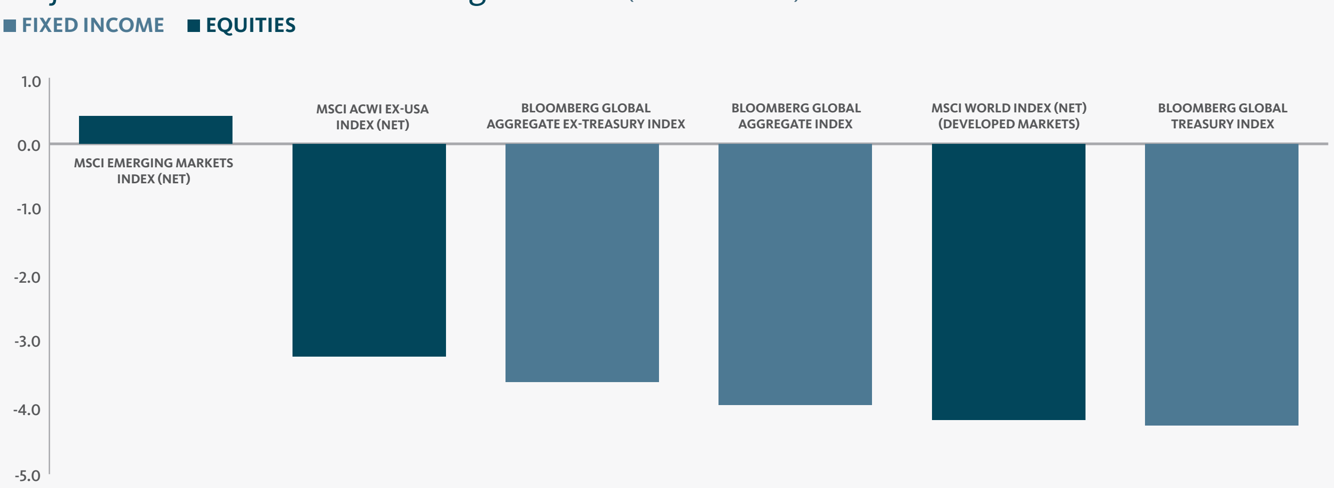
U.K.

- Consumer prices in the U.K. increased in July by 0.6% during the month and 10.1% over the prior year—up from 0.8% and 9.4%, respectively, in June—and setting a new 40-year high for the year-over-year inflation rate.
- U.K. manufacturing activity began to contract during August following three months of slowing growth.
- The U.K. services sector continued to expand at modest-but-healthy levels in August that were roughly in line with the prior three months.
- The U.K.'s claimant count (which calculates the number of people claiming Jobseeker's Allowance) declined in July for the seventeenth consecutive month—by about 11,000—with total claimants holding firm at 3.9% of the population.
- The U.K. economy contracted by 0.1% in the second quarter of 2022 (compared to growth of 0.8% in the first quarter) and expanded by 1.9% over the 12 months through June (after gaining 8.7% for the prior one-year period).

Eurozone

- Eurozone consumer prices increased in August by 0.5% for the month and 9.1% over the prior year, versus respective gains of 0.1% and 8.9% in July. August's year-over-year inflation figure was the highest since Eurostat began tracking data in 1997.
- The eurozone unemployment rate held at 6.6% in July for the third straight month—retaining the lowest level since Eurostat began recording employment data in 1998.

Major Index Performance in August 2022 (Percent Return)



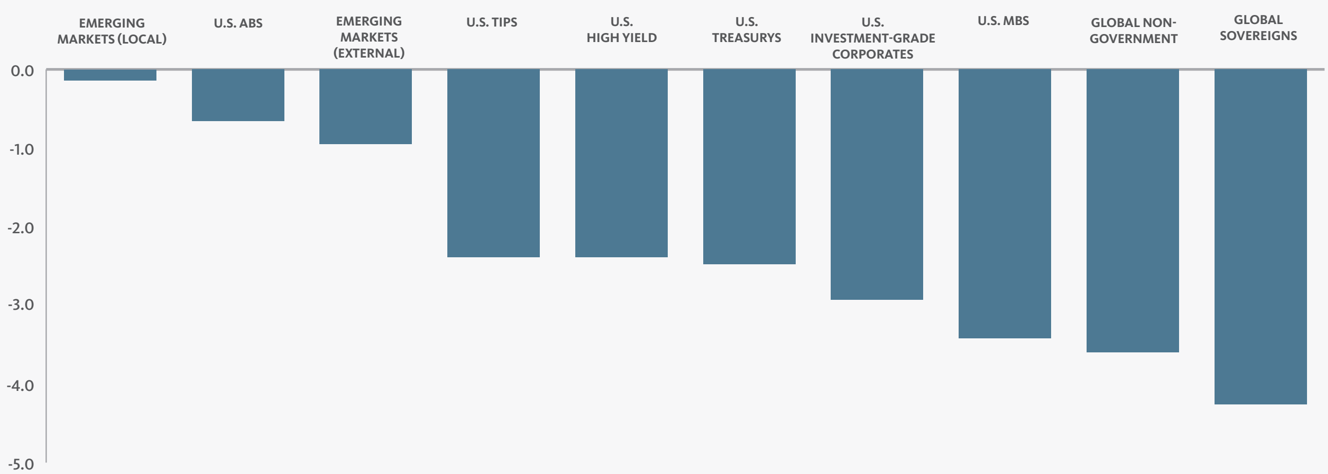
Sources: FactSet, Lipper

- A modest contraction in eurozone manufacturing activity that began in July continued through August.
- The expansion in eurozone services activity essentially ground to a standstill in August after peaking this spring.
- The eurozone economy grew by 0.6% during the second quarter and 3.9% year over year, compared to 0.5% and 5.4%, respectively, in the first quarter.

Central banks

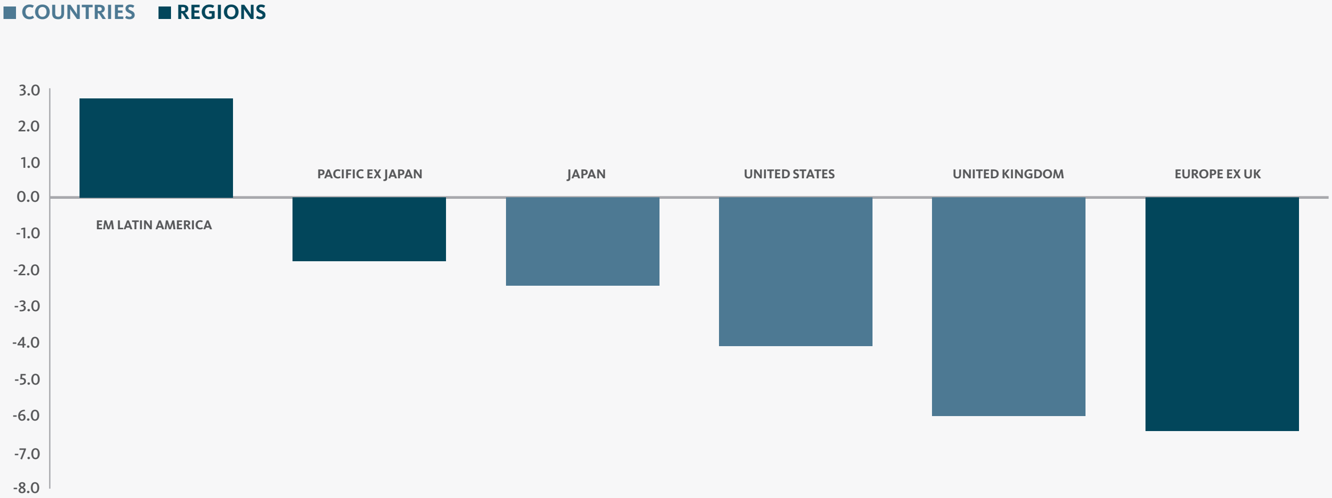
- The Federal Open Market Committee (FOMC) did not meet in August after increasing the federal-funds rate by 0.75% toward the end of July—the second hike of its size in this tightening cycle—bringing the benchmark rate to a range between 2.25% and 2.50%. The central bank has also begun to reduce its balance sheet, allowing Treasurys and mortgages to run off (that is, mature without being replaced) at maximum respective paces of $30 billion and $17.5 billion per month in August (and then $60 billion and $35 billion per month, respectively, in September).
- At its early August meeting, the Bank of England's (BoE) Monetary Policy Committee hiked its benchmark rate by 0.50% to 1.75%, the largest individual increase in 27 years.
- The European Central Bank (ECB) did not hold a meeting on monetary policy during August. At its July meeting, the ECB increased its three benchmark rates by 0.50% rather than the expected 0.25% hikes for the first time in 11 years. At the same meeting, the ECB approved the establishment of a Transmission Protection Instrument (TPI) to ensure the smooth transmission of monetary-policy normalization across eurozone countries. According to the ECB, the TPI "can be activated to counter unwarranted, disorderly market dynamics" by making "secondary market purchases of securities issued in jurisdictions experiencing a deterioration in financing conditions."

Fixed-Income Performance in August 2022 (Percent Return)



Sources: FactSet, Lipper. See "Corresponding Indexes for Fixed-Income Performance Exhibit" in the Index Descriptions section for more information.

Regional Equity Performance in August 2022 (Percent Return)



Sources: FactSet, Lipper. See "Corresponding Indexes for Regional Equity Performance Exhibit" in the Index Descriptions section for more information.

- The Bank of Japan (BOJ) did not convene a monetary policy meeting in August but remained committed to its loose-policy orientation at its July meeting. Its short-term interest rate remained at -0.1%, and the 10-year Japanese government bond (JGB) yield target held near 0%. The central bank continued to offer purchases of 10-year JGBs at 0.25% in order to keep its yield within the BOJ's acceptable range.

SEI's view

It's been our mantra for the past year that U.S. inflation would be higher for longer than most economists and investors appeared to expect. We believe this remains the case, although the gap between our expectations and those priced in U.S. markets has narrowed considerably, and the pace of inflation's increase is almost certainly close to a peak.

Federal funds-rate futures indicate that investors are anticipating a series of increases between now and year-end that could bring the funds rate as high as 3.9%. Markets are presumably pricing in a recession by mid-2023, considering the funds rate is projected to decline at that point.

We believe this to be a reasonable forecast, but the outcome will depend on how quickly the economy actually weakens and inflation ebbs. The evidence as of today suggests that the U.S. economy may continue to show a resilience that surprises both the Fed and investors.

Still, there are signs of economic trouble ahead. The surge in U.S. mortgage rates is delivering a big blow to the housing market. Beyond real estate, economists have begun citing the surge in retail inventories as an indication of recession; although we are doubtful that the inventory problems of department stores and general merchandisers are serious enough to throw the economy into recession in the near term.

Markets are presumably pricing in a recession by mid-2023, considering the funds rate is projected to decline at that point.

Given all the other problems facing Europe, the ECB has vowed to support the weaker members of the eurozone with continued bond purchases.

There is no denying that rising interest rates will slow economic growth. But changes in monetary policy affect the economy with a long and variable lag. While the financial strength of U.S. businesses and households is likely to ebb, the starting point is a high one. The labor market, for instance, remains exceptionally tight. One should expect large wage gains to continue at the lower end of the wage-income spectrum, where the job market is tightest, until there is a better balance between the demand and supply of labor.

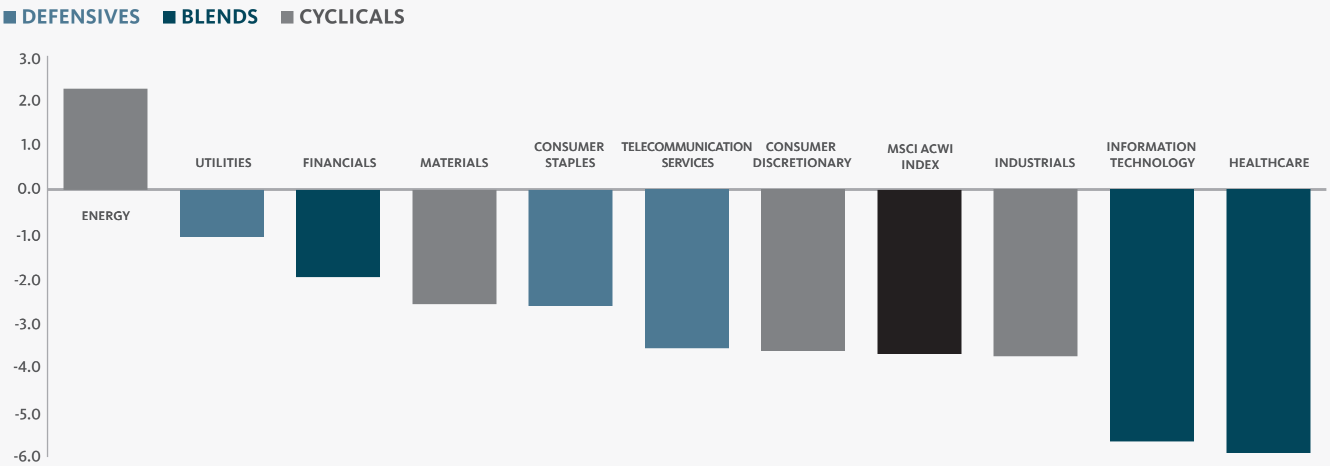
American job switchers have enjoyed a sharper-than-average wage gain over the past 12 months. It should not be surprising that the U.S. quit rate is significantly higher than in 2019 or at the previous economic peak in 2007.

Other major developed economies aren't too far behind. The U.K. has an unemployment rate below 4%. Canada and Europe usually have unemployment rates that are considerably higher than the U.S. and the U.K. That remains the case, but both report jobless totals that are below previous cyclical lows.

All this suggests that workers are in a strong position to seek bigger wage gains in an effort to keep up with inflation. The possibility of a global wage-price spiral still cannot be dismissed out of hand. This could force central banks to raise interest rates more than they would prefer.

In Europe, the need to hike interest rates has once again elevated the specter of another periphery debt crisis. The stress has not reached the crisis levels of the 2010-to-2012 period. Given all the other problems facing Europe, the ECB has vowed to support the weaker members of the eurozone with continued bond purchases.

Global Equity Sector Performance in August 2022 (Percent Return)



Sources: FactSet, Lipper. MSCI ACWI Index Components (as defined by SEI).

As was the case last time, the economic priorities of the strongest countries are diverging from their weaker neighbors. The German-led group needs a more aggressive policy-tightening along the lines of what the Fed is expected to do. Meanwhile, the weaker countries—especially Italy and Greece—now bear an even heavier debt burden relative to the size of their economies compared to a decade ago. The interest expense on that debt could get out of hand fairly quickly if the cost of capital continues its sharp upward trajectory.

The zero-COVID policy pursued by the Chinese government has hurt the economy to an extent seldom seen in the past three decades. Home sales have also plummeted, falling more than 30% over the 12 months ended August for China's top-100 developers. Chinese authorities are now trying to revive the property market by lowering mortgage rates, cutting mortgage down-payment requirements, and encouraging banks to start lending again.

China's economy-wide lending plummeted in July after finally turning positive for the first time in a year. However, it is doubtful that more lending will be enough to stave off a global recession given the rising interest-rate trend in advanced economies. It might even prove counterproductive if a revival in Chinese demand for energy and other raw materials exacerbates the commodity-price boom at a time when global supplies are still constrained.

The poor performance of financial markets this year suggests that investors have already discounted a lot of bad news. Recent increases in forward-earnings estimates contrast sharply with the year-to-date price decline in the S&P 500 Index. The result has been one of the sharpest reductions in stock multiples outside of a recession in the past 25 years.

The froth certainly appears to have been taken out of the markets by this year's selloff. That's the good news. The bad news is that stock prices may not yet fully reflect an economic recession and corresponding decline in earnings. Multiples tend to slide as projected earnings estimates fall. Even if price-to-earnings ratios remain at current levels, there could be a decline in projected earnings—and a comparable drop in stock prices—as analysts incorporate the impact of a recession into their models. While the consensus view is that stock prices face rough seas ahead, it is possible that earnings multiples need not contract much further—as long as bond yields stabilize and do not climb significantly higher.

Glossary of Financial Terms

Commercial paper: Commercial paper is a type of short-term loan that is not backed by collateral and does not tend to pay interest.

Bull market: A bull market refers to a market environment in which prices are generally rising (or are expected to rise) and investor confidence is high.

European Commission: The European Commission is the executive branch of the EU. It operates as a cabinet government, with 27 members headed by a president.

Cyclical stocks: Cyclical stocks or sectors are those whose performance is closely tied to the economic environment and business cycle. Managers with a pro-cyclical market view tend to favor stocks that are more sensitive to movements in the broad market and therefore tend to have more volatile performance.

Fiscal cliff: A fiscal cliff refers to the reduction or withdrawal of government spending, an increase in taxation, or both.

Fiscal policy: Fiscal policy relates to decisions about government revenues and outlays, like taxation and economic stimulus.

Fiscal stimulus: Fiscal stimulus refers to government spending intended to provide economic support.

Futures: Futures are derivative financial instruments that serve as contracts between buyers and sellers of securities, commodities, or other assets at a future date for a given price.

Group of 7 (G7): The G7 is an inter-governmental forum for the leaders of major advanced democratic nations that includes Canada, France, Germany, Italy, Japan, the U.K., and the U.S.

Hawk: Hawk refers to a central-bank policy advisor who has a negative view of inflation and its economic impact, and thus tends to favor higher interest rates.

Inflation-Protected Securities: Inflation-protected securities are typically indexed to an inflationary gauge to protect investors from the decline in the purchasing power of their money. The principal value of an inflation-protected security typically rises as inflation rises, while the interest payment varies with the adjusted principal value of the bond. The principal amount is typically protected so that investors do not risk receiving less than the originally invested principal.

International Monetary Fund: The International Monetary Fund (IMF) is an international organization of 189 member countries that promotes global economic growth and financial stability, encourages international trade, and reduces poverty.

Maturity: A bond's maturity, or term, is a timeframe during which the bondholder will receive interest payments. At the end of this period, the bondholder is repaid its face value. The maturity is typically determined when a bond is issued.

Monetary policy: Monetary policy relates to decisions by central banks to influence the amount of money and credit in the economy by managing the level of benchmark interest rates and the purchase or sale of securities. Central banks typically make policy decisions based on their mandates to target specific levels or ranges for inflation and employment.

Mortgage-Backed Securities: Mortgage-Backed Securities (MBS) are pools of mortgage loans packaged together and sold to the public. They are usually structured in tranches that vary by risk and expected return.

Price-to-earnings (PE) ratio: The PE ratio is equal to the market capitalization of a share or index divided by trailing (over the prior 12 months) or forward (forecasted over the next 12 months) earnings. The higher the PE ratio, the more the market is willing to pay for each dollar of annual earnings.

Quantitative easing: Quantitative easing refers to expansionary efforts by central banks to help increase the supply of money in the economy.

Summary of Economic Projections: The Fed's Summary of Economic Projections (SEP) is based on economic projections collected from each member of the Fed Board of Governors and each Fed Bank president on a quarterly basis.

Taper tantrum: Taper tantrum describes the 2013 surge in U.S. Treasury yields, resulting from the U.S. Federal Reserve's announcement of future tapering of its policy of quantitative easing.

Yield: Yield is a general term for the expected return, in percentage or basis points (one basis point is 0.01%), of a fixed-income investment.

Yield curve: The yield curve represents differences in yields across a range of maturities of bonds of the same issuer or credit rating (likelihood of default). A steeper yield curve represents a greater difference between the yields. A flatter curve indicates the yields are closer together.

Index and Benchmark Descriptions

All indexes are quoted in gross performance unless otherwise indicated.

The Bloomberg 1-10 Year US TIPS Index measures the performance of inflation-protected public obligations of the U.S. Treasury that have a remaining maturity of 1 to 10 years.

The Bloomberg Commodity Index is composed of futures contracts and reflects the returns on a fully collateralized investment in the Index. This combines the returns of the Index with the returns on cash collateral invested in 13-week (3-month) U.S. Treasury bills.

The Bloomberg US Asset Backed Securities (ABS) Index measures the performance of ABS with the following collateral types: credit and charge card, auto and utility loans. All securities have an average life of at least one year.

The Bloomberg Global Aggregate Index is an unmanaged market-capitalization-weighted benchmark, tracks the performance of investment-grade fixed-income securities denominated in 13 currencies. The Index reflects reinvestment of all distributions and changes in market prices.

The Bloomberg Global Aggregate ex-Treasury Index is an unmanaged market index representative of the total-return performance of ex-Treasury major world bond markets.

The Bloomberg Global Treasury Index is composed of those securities included in the Bloomberg Global Aggregate Bond Index that are Treasury securities.

The Bloomberg US Corporate Bond Index is a broad-based benchmark that measures the investment-grade, fixed-rate, taxable corporate bond market.

The Bloomberg US Mortgage Backed Securities (MBS) Index measures the performance of investment-grade, fixed-rate, mortgage-backed, pass-through securities of Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) and Freddie Mac (FHLMC).

The Bloomberg US Treasury Index is an unmanaged index composed of U.S. Treasurys.

The Bloomberg Commodity Index is composed of futures contracts and reflects the returns on a fully collateralized investment in the Index. This combines the returns of the Index with the returns on cash collateral invested in 13-week (3-month) U.S. Treasury bills.

The Employment Cost Index is a quarterly economic series published by the U.S. Bureau of Labor Statistics that details the growth of total employee compensation. The index tracks movement in the cost of labor, as measured by wages and benefits, at all levels of a company.

The Chicago Board Options Exchange Volatility Index (VIX) tracks the expected volatility in the S&P 500 Index over the next 30 days. A higher number indicates greater volatility.

CBOE Volatility Index (VIX Index): The VIX Index tracks the expected volatility in the S&P 500 Index over the next 30 days. A higher number indicates greater volatility.

The Dow Jones Industrial Average is a widely followed market indicator based on a price-weighted average of 30 blue-chip New York Stock Exchange stocks that are selected by editors of *The Wall Street Journal*.

The Employment Cost Index is a quarterly economic series published by the U.S. Bureau of Labor Statistics that details the growth of total employee compensation. The index tracks movement in the cost of labor, as measured by wages and benefits, at all levels of a company.

The FTSE All-Share Index represents 98% to 99% of U.K. equity market capitalization. The Index aggregates the FTSE 100, FTSE 250 and FTSE Small Cap Indexes.

The ICE BofA U.S. High Yield Constrained Index contains all securities in The ICE BofA U.S. High Yield Index but caps exposure to individual issuers at 2%.

The ICE BofA U.S. High Yield Index tracks the performance of below-investment-grade, U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

The JPMorgan EMBI Global Diversified Index tracks the performance of external debt instruments (including U.S. dollar-denominated and other external-currency-denominated Brady bonds, loans, eurobonds and local-market instruments) in the emerging markets.

JPMorgan GBI-EM Global Diversified Index tracks the performance of debt instruments issued in domestic currencies by emerging-market governments.

The MSCI ACWI Index is a market-capitalization-weighted index composed of over 2,000 companies, representing the market structure of 48 developed- and emerging-market countries in North and South America, Europe, Africa and the Pacific Rim. The Index is calculated with net dividends reinvested in U.S. dollars.

The MSCI ACWI ex-USA Index includes both developed- and emerging-market countries, excluding the U.S.

The MSCI Emerging Markets Index is a free float-adjusted market-capitalization-weighted index designed to measure the performance of global emerging-market equities.

The MSCI Emerging Markets Latin America Index captures large- and mid-cap representation across five emerging-market countries in Latin America.

The MSCI EMU (European Economic and Monetary Union) Index is a free float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of countries within EMU. The Index consists of the following 10 developed-market country indexes: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal and Spain.

The MSCI Europe ex-UK Index is a free float-adjusted market-capitalization-weighted index that captures large- and mid-cap representation across developed-market countries in Europe excluding the UK.

The MSCI Frontier Emerging Markets Index is a free float-adjusted market capitalization index designed to serve as a benchmark covering all countries from the MSCI Frontier Markets Index and the lower size spectrum of the MSCI Emerging Markets Index.

The MSCI Japan Index is designed to measure the performance of the large- and mid-capitalization stocks in Japan.

The MSCI Pacific ex Japan Index captures large- and mid-cap representation across four of five developed-market countries in the Pacific region (excluding Japan).

The MSCI Russia Index is designed to measure the performance of the large- and mid-cap segments of the Russian market. With 26 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Russia.

MSCI United Kingdom Index is designed to measure the performance of the large- and mid-cap segments of the U.K. market.

MSCI USA Index measures the performance of the large- and mid-cap segments of the U.S. market.

The MSCI World Index is a free float-adjusted market-capitalization-weighted index designed to measure the equity market performance of developed markets. The Index consists of the following 23 developed-market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the U.K. and the U.S.

The MSCI World ex-USA Index is a free float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S.

The NASDAQ Composite Index is a market-value-weighted index of all common stocks listed on the National Association of Securities Dealers Automated Quotations (NASDAQ) system.

Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values.

The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

The Shenzhen Stock Exchange Composite Index tracks performance of A share stocks (which are denominated in renminbi, the local currency) and B share stocks (which are denominated in Hong Kong dollars, an offshore currency) on China's Shenzhen Stock Exchange.

The S&P 500 Index is a market-capitalization-weighted index that consists of 500 publicly-traded large U.S. companies that are considered representative of the broad U.S. stock market.

The TOPIX, also known as the Tokyo Stock Price Index, is a capitalization-weighted index of all companies listed on the First Section of the Tokyo Stock Exchange. The Index is supplemented by the subindexes of the 33 industry sectors. The Index calculation excludes temporary issues and preferred stocks, and has a base value of 100 as of January 4, 1968.

The U.S. Dollar Index (DXY Index) measures the value of the U.S. dollar relative to a basket of other currencies, including the currencies of some of the US's major trading partners: the euro, Swiss franc, Japanese yen, Canadian dollar, British pound, and Swedish krona.

Corresponding Indexes for Fixed-Income Performance Exhibit

U.S. High Yield	ICE BofA U.S. High Yield Constrained Index
Global Sovereigns	Bloomberg Global Treasury Index
Global Non-Government	Bloomberg Global Aggregate ex-Treasury Index
Emerging Markets (Local)	JPMorgan GBI-EM Global Diversified Index
Emerging Markets (External)	JPMorgan EMBI Global Diversified Index
U.S. Mortgage-Backed Securities (MBS)	Bloomberg US Mortgage Backed Securities Index
U.S. Asset-Backed Securities (ABS)	Bloomberg US Asset Backed Securities Index
U.S. Treasurys	Bloomberg US Treasury Index
U.S. Treasury Inflation-Protected Securities (TIPS)	Bloomberg 1-10 Year US TIPS Index
U.S. Investment-Grade Corporates	Bloomberg US Corporate Bond Index

Corresponding Indexes for Regional Equity Performance Exhibit

United States	S&P 500 Index
United Kingdom	FTSE All-Share Index
Pacific ex Japan	MSCI Pacific ex Japan Index (Net)
Japan	TOPIX, also known as the Tokyo Stock Price Index
Europe ex U.K.	MSCI Europe ex UK Index (Net)
EM Latin America	MSCI Emerging Markets Latin America Index (Net)

Disclosures

This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding SEI's portfolios or any stock in particular, nor should it be construed as a recommendation to purchase or sell a security, including futures contracts.

There are risks involved with investing, including loss of principal. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Narrowly focused investments and smaller companies typically exhibit higher volatility. Bonds and bond funds will decrease in value as interest rates rise. High-yield bonds involve greater risks of default or downgrade and are more volatile than investment-grade securities, due to the speculative nature of their investments.

Diversification may not protect against market risk. Past performance does not guarantee future results. Index returns are for illustrative purposes only and do not represent actual portfolio performance. Index returns do not reflect any management fees, transaction costs or expenses. One cannot invest directly in an index.

Information provided by SEI Investments Management Corporation, a wholly owned subsidiary of SEI Investments Company (SEI).

220204.16 IMU US (09/22)