"January effect" kicks off the New Year.

Monthly Snapshot

- Most equity markets rallied into the New Year as generally positive economic data globally bolstered investor optimism, with emerging markets outperforming their developed-market counterparts for the month.[1]
- Fixed-income asset classes ended January in positive territory amid declining bond yields (yields and prices have an inverse relationship).
- "Stagnation" is the best way to describe the state of the global economy, but several regions will likely enter recession in the coming months.

Most global stock markets began 2023 with a strong rally, bolstered mainly by investor optimism amid generally positive economic data and signs that the U.S. Federal Reserve (Fed) will continue to slow the pace of interest-rate hikes. It appears that the so-called "January effect"—which theorizes that the financial marketsparticularly small-cap stocks) tend to gain more in January than in any other month—has once again prevailed. Emerging-market equities performed particularly well, with Latin America and Emerging Asia generating the greatest returns.[2] Within developed-market equities, gains in the U.S. continued to lag amid ongoing weakness in the U.S. dollar, which boosted the performance of non-dollar-denominated stocks in international markets.[3]

U.S. fixed-income assets generally garnered strong returns in January as bond yields declined (yields and prices have an inverse relationship). High-yield and investment-grade corporate bonds performed in line with each other, outpacing mortgage-backed securities (MBS) and U.S. Treasurys. All Treasury yields with maturities of one year or greater declined during the month, with the intermediate- and long-term segments of the yield curve falling further than short-term yields. Consequently, the yield curve remained inverted (short-term yields exceeded long-term yields).

Regarding the global commodities markets, prices generally decreased during January. The West Texas Intermediate crude-oil spot price was down 1.4% while Brent crude oil fell by 0.4% amid concerns about additional interest-rate hikes from central banks and an increasing supply of Russian crude oil. The NYMEX natural gas price declined by 34% as an unusually mild winter in the U.S. resulted in lower demand and higher inventories. Wheat prices decreased by 3.8% after Russia renewed a deal with the UN, Ukraine, and Turkey that allows the shipment of Ukrainian grain through the Black Sea.[4]

[1] According to the MSCI World and MSCI Emerging Markets indexes.
[2] According to the MSCI Emerging Markets Latin America and MSCI Emerging Markets Asia indexes.
[3] According to the MSCI North America and MSCI USA indexes.
[4] According to market data from The Wall Street Journal.

Key Measures: January 2023

EQUITY		
Dow Jones Industrial Average	2.93%	↑
S&P 500 Index	6.28%	↑
NASDAQ Composite Index	10.72%	↑
MSCI ACWI Index (Net)	7.17%	↑
BOND		
Bloomberg Global Aggregate Index	3.28%	↑
VOLATILITY		
Chicago Board Options Exchange Volatility Index PRIOR Month: 21.67	19.40	↓
OIL		
WTI Cushing crude oil prices PRIOR Month: $80.26	$78.87	↓
CURRENCIES		
Sterling vs. U.S. dollar	$1.23	↑
Euro vs. U.S. dollar	$1.09	↑
U.S. dollar vs. yen	¥130.11	↓

Sources: Bloomberg, FactSet, Lipper

U.S. Treasury Secretary Janet Yellen announced that the Treasury Department began taking "extraordinary measures" after the government reached its $31.4 trillion borrowing limit on January 19. In the U.S. House of Representatives, leaders of the newly elected Republican majority indicated that they would not approve an increased debt limit (commonly referred to as the debt ceiling) unless the administration of President Joe Biden, a Democrat, agrees to specific spending cuts. Yellen estimated that the U.S. government might run out of money and be unable to meet its financial obligations in early June if the House of Representatives does not vote to raise the debt ceiling. She urged Congress to "act promptly to protect the full faith and credit of the United States."[5]

The International Monetary Fund (IMF) projected that the U.K. will be the lone member of the G7 (an intergovernmental political forum representing the world's most advanced economies) to face a recession in 2023. According to the IMF, the U.K.'s gross domestic product (GDP) will likely decline by 0.6% this year—a dramatically weaker forecast compared to its initial estimate of 0.3% economic growth issued in October 2022—due to the government's tighter fiscal and monetary policies.[6] Following the release of the IMF report, U.K. Chancellor Jeremy Hunt issued the following statement: "The governor of the Bank of England recently said that any U.K. recession this year is likely to be shallower than previously predicted. We are not immune to the pressures hitting nearly all advanced economies. Short-term challenges should not obscure our long-term prospects."[7] Separately, in a late-January speech to business lobbyists, Hunt outlined his plan to boost economic growth; the U.K. government's budget proposal, scheduled to debut in mid-March, will not include sizeable tax cuts as the government focuses on curbing inflation. Several members of the lobbyist group expressed concerns about the plan's lack of new policies and the absence of assistance pledged for smaller businesses.[8]

The U.S., Germany, and several other European allies agreed to send tanks to Ukraine in support of its defense against Russia's ongoing brutality. The U.S. plans to provide 31 M1 Abrams tanks. Germany agreed to send 14 Leopard2 tanks and plans to work with other European countries to create two tank battalions of Leopard2s, which is equivalent to roughly 90 tanks.[9]

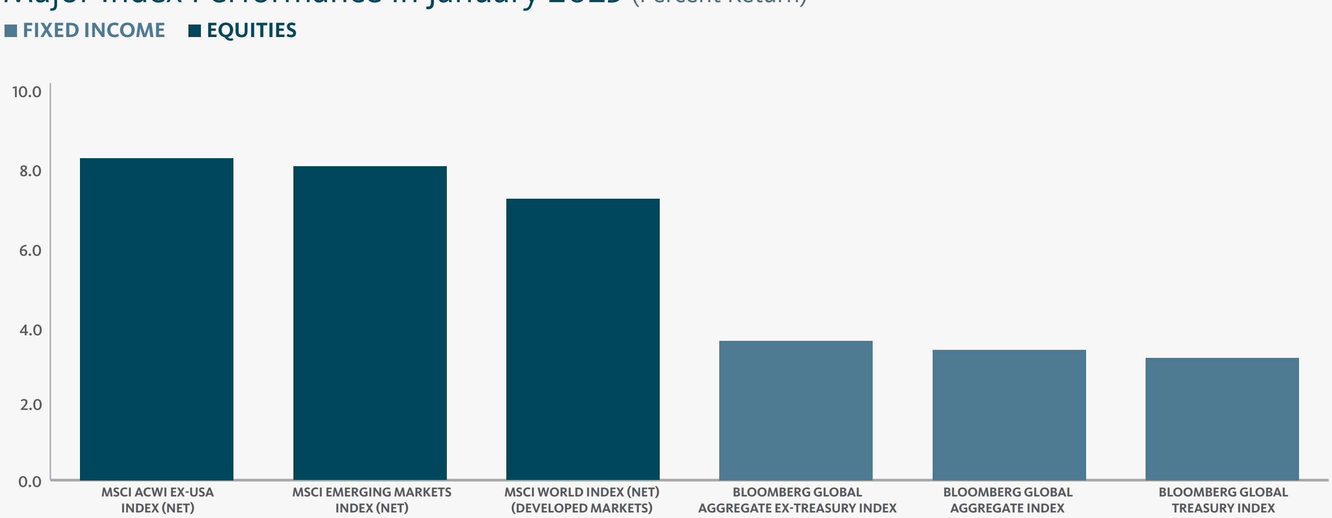
[5] "Treasury to take 'extraordinary measures' as US hits debt ceiling." Financial Times. January 19, 2023.
[6] Source: IMF World Economic Outlook Update. January 2023.
[7] "UK to Be Only G-7 Economy in Recession This Year, IMF Says." Bloomberg. 30 January 2023.
[8] "Business complains Jeremy Hunt's UK growth plan lacks new policies." Financial Times. 27 January 2023.
[9] "US and Germany to send main battle tanks to Ukraine." Financial Times. 25 January 2023.

Economic data

U.S.

- Core inflation, as measured by the Consumer Price Index for all items less food and energy, rose 0.3% in December and 5.7% year over year, compared to the respective 0.2% and 6.0% monthly and annual increases in November. The slowing inflation spurred investor optimism that the central bank may not need to raise the federal-funds rate as high as previously estimated. Overall inflation (including food and energy costs) dipped 0.1% in December after increasing by 0.1% in November, and registered a year-over-year gain of 6.5%.
- The Department of Labor reported that U.S. payrolls expanded by a greater-than-expected total of 517,000 in January—up sharply from the 260,000 jobs added in December. The unemployment rate dipped 0.1 percentage point to 3.4%, with the leisure and hospitality, and professional and business services sectors seeing the greatest improvement. Average hourly earnings rose by 0.3% in January and 4.4% year over year, compared to the respective monthly and annual increases of 0.3% and 4.6% in December.
- According to the Department of Commerce, U.S. GDP growth moderated in the fourth quarter of 2022 to an annualized rate of 2.9% from 3.2% in the prior quarter; the largest increases were in private inventory investment (which measures changes in inventory values), consumer spending, and federal government spending. These gains offset reductions in exports and residential fixed investment (purchases of private residential structures and residential equipment that property owners use for rentals).
- The Bureau of Economic Analysis reported that consumer spending dipped 0.2% month over month in December; despite the holiday shopping season, 1.6% decline in purchases of durable and non-durable goods more than offset a 0.5% increase in spending on services.

Major Index Performance in January 2023 (Percent Return)



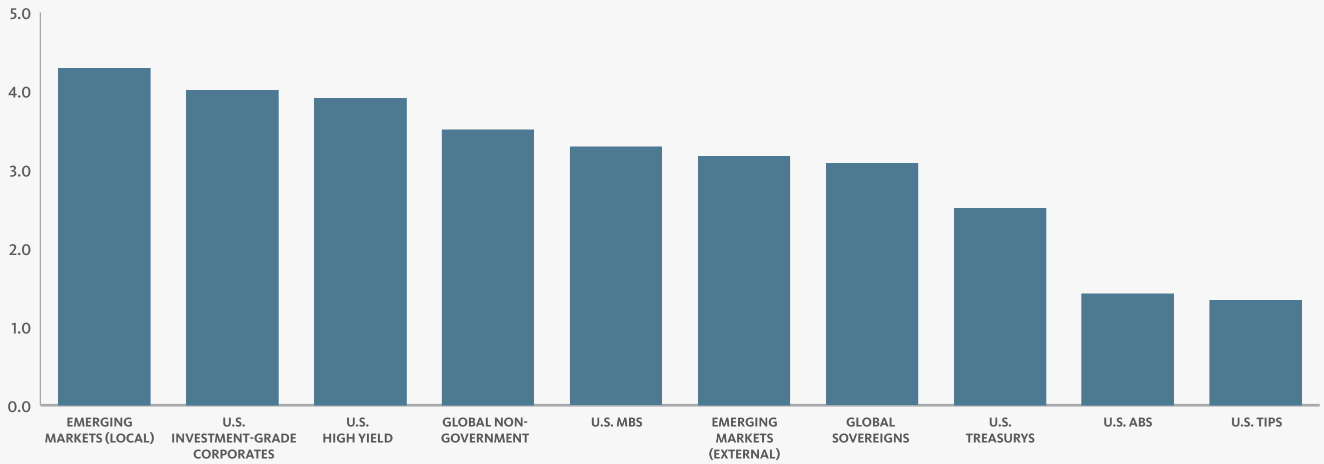
Sources: FactSet, Lipper

U.K.

- The pace of rising consumer prices in the U.K. slowed in December to a rate of 0.4% from 0.5% in the month over month and to 10.5% from 10.7% in the 12-month period. Restaurants and hotels along with food and non-alcoholic beverages recorded the largest price increases over the calendar year.[10]
- According to the Office for National Statistics, U.K. GDP expanded by 0.1% in November 2022, but fell by 0.3% for the three-month period ending in November. Downturns in production and services more than offset a 0.3% gain in construction.
- Manufacturing activity in the U.K. remained in contraction territory for the sixth consecutive month in January but moved closer to expansion than it had in four months.[11] (A reading below 50 indicates contraction.)
- Activity in the U.K. services sector dipped to its lowest level in two years in January, with the Flash UK Services PMI Business Activity Index falling by 1.9 to 48.0.[12] However, business expectations for 2023 significantly improved on greater optimism with regard to the global economic backdrop and decreasing inflationary pressures in the coming year.

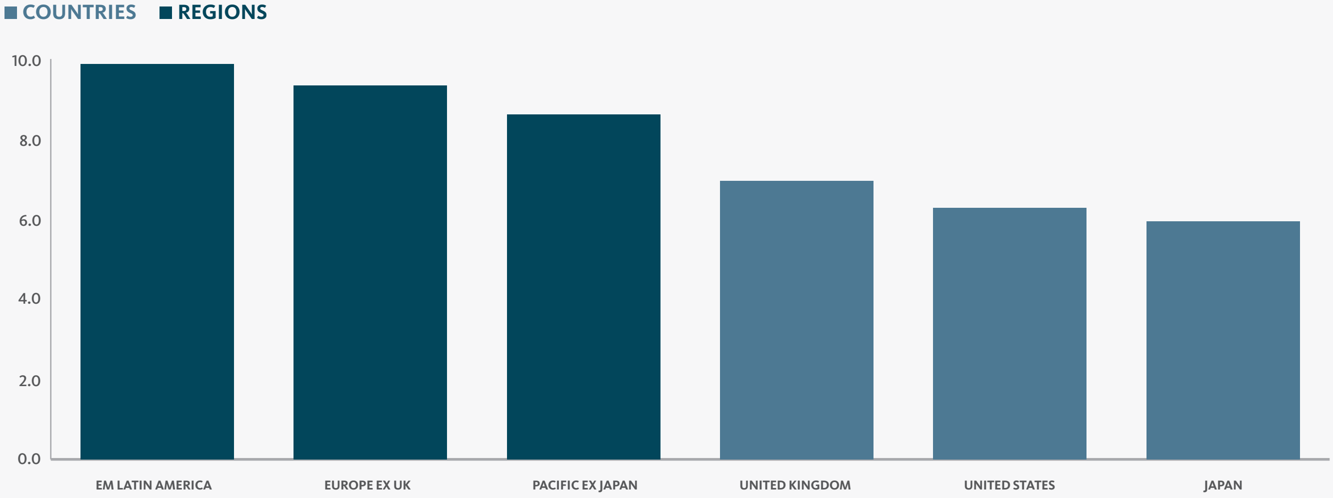
[10] According to the UK Office of National Statistics. January 2023.
[11] S&P Global/CIPS U.K. Manufacturing Output Index. January 2023.
[12] S&P Global/CIPS Flash U.K. Composite PMI. January 2023.

Fixed-Income Performance in January 2023 (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 January 2023 (Percent Return)



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

Eurozone

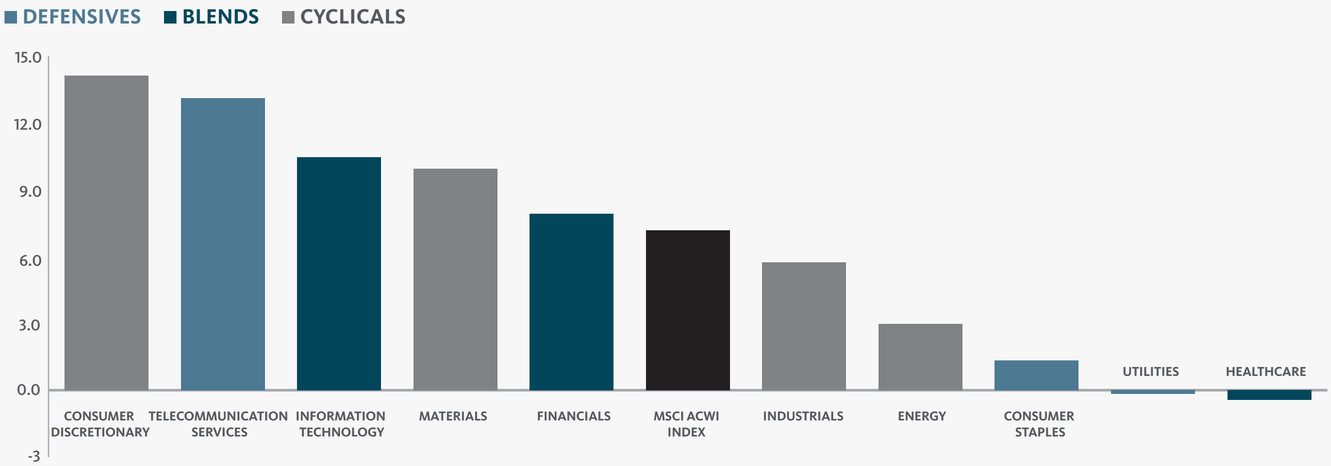
- Inflation in the eurozone slowed in the 12-month period ending December by 0.9% to 9.2%. Food and energy prices saw the largest increases for the month.[13]
- Eurozone manufacturing activity remained in contraction territory in January, although the S&P Global Flash Eurozone Manufacturing Purchasing Managers Index (PMI) reached a five-month high of 48.8.[14]
- Services activity in the eurozone expanded for the first time in six months in January, with the S&P Global Flash Eurozone Services PMI rising 1.6 points to 50.7.[15]
- The eurozone's economy grew by 0.1% in the fourth quarter of 2022, down from a 0.3% gain in the prior quarter. GDP rose by 1.9% year over year and increased by 3.5% for the 2022 calendar year.[16]

[13] According to Eurostat. January 2023.
[14] S&P Global Flash Eurozone Manufacturing PMI. January 2023.
[15] S&P Global Flash Eurozone Services PMI. January 2023.
[16] According to Eurostat. January 2023.

Central banks

- As widely expected, the U.S. Fed raised the federal-funds rate by 0.25% to a range of 4.50% to 4.75%—the smallest increase since its rate-hiking policy began in March 2022. The central bank's policymakers reiterated their commitment to reducing inflation to the 2% target rate, and said they would continue to monitor the labor market, inflation pressures and expectations, and financial and international developments to inform its economic outlook.
- The Bank of England (BOE) raised its benchmark interest rate by 0.5% to 4.0% in early February as inflation remained elevated. However, the central bank noted that overall inflation has slowed and likely will decline significantly during the coming year. The BOE also said that, although the labor market remains tight, there have been signs of slower wage growth.
- The European Central Bank (ECB) boosted its benchmark interest rate by 0.5% to 2.5% in early February in its ongoing effort to combat inflation. The ECB commented that it expects to implement another 0.5% increase during its next meeting in March, and then evaluate the direction of its monetary policy.
- The Bank of Japan (BOJ) left its benchmark interest rate unchanged at -0.1% following its meeting in January. The central bank also said it would continue to allow the 10-year Japanese government bond (JGB) yield to move 0.5% above or below the central bank's 0% target.

Global Equity Sector Performance in January 2023 (Percent Return)



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

SEI's view

We anticipate further volatility across asset classes as investors face familiar headwinds: inflation rates exceeding the targets of major central banks; interest-rate increases potentially continuing throughout the first half of the year; quantitative easing shifting to quantitative tightening; and, for many countries, stagnant or recessionary economies through 2023, and perhaps, into 2024.

"Stagnation" is the best way to describe the state of the global economy, but several regions will likely enter recession in the coming months. The Philadelphia Fed's most recent survey pegged the probability of a U.S. recession occurring in the first quarter in 2023 at 47%.[17] However, it is not at all clear to us whether that will be the case.

Wages are down in inflation-adjusted terms, the housing market is suffering a severe contraction, and some industries (notably within technology) are losing a significant number of jobs. However, the overall economy still isn't declining in a pronounced, pervasive, and persistent manner—the so-called three Ps that characterize a typical recession.

With regard to inflation, there is good reason to believe that inflation rates have peaked for most countries. Still, we view it as a mistake to assume that prices will fall as precipitously as they have risen, or that they will make their way back to the 2% target that central banks of advanced economies set for themselves. This is especially true in the U.S. and other countries challenged by exceptionally tight labor markets and already-high wage inflation.

Further Fed monetary-policy tightening is expected to continue in 2023 beyond the recent 0.25% interest-rate hike—with its target range projected to reach 5%-to-5.25% by June and 5.1% by year end. The obvious question is whether the Fed's forceful approach this past year and, presumably, in the year ahead, will be sufficient to bring inflation down. Or will it still prove insufficient, thereby forcing the central bank to keep raising its policy rate beyond its current expectations?

On the geopolitical front, the Russia's war in Ukraine war rages on. Energy prices are expected to remain volatile. With the war in Ukraine appearing likely to drag on well into this year at the very least; the possibility exists for more surprises that will keep energy prices quite volatile, with current prices likely now at the low end of a wide trading range.

The Chinese government has decided to ease the most onerous COVID-19 restrictions that have derailed economic growth in that country and disrupted global supply chains. This should help offset, at least partially, the impact of a global slowdown in advanced countries. It also could exert upward pressure on commodity prices, especially for energy and metals. This would benefit commodity-oriented exporters in Latin America and the Middle East, along with South Africa, Indonesia, and Malaysia.

We anticipate further volatility across asset classes as investors face familiar headwinds.

[17] According to the Federal Reserve Bank of Philadelphia, November 2022.

Glossary of Financial Terms

Mortgage-backed securities (MBS) are pools of mortgage loans packaged together and sold to the public. They are usually structured in tranches (a slice or portion of a structured security) that vary by risk and expected return.

The G7 is an organization comprising is an intergovernmental organization comprising the world's largest developed economies: Canada, France, Germany, Italy, Japan, the U.K. and the U.S.

Gross domestic product (GDP) is the total monetary or market value of all the goods and services produced in a country during a certain period.

The federal funds rate is the interest rate charged to lending institutions on unsecured overnight loans. It is set by the U.S. Federal Reserve's Federal Open Market Committee. The rate is increased when the Federal Reserve wants to discourage borrowing and slow the economy and decreased when the Federal Reserve wants to spur economic growth.

Yield curve represents differences in yields across a range of maturities of bonds of the same issuer or credit rating (are (which is used to assess the risk of default of companies or countries). A steeper yield curve represents a greater difference between the yields. A flatter curve indicates the short- and long-term yields are closer together.

Monetary policy refers 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.

Fiscal policy relates to government revenue, taxation or public debt.

Quantitative easing refers to expansionary efforts by central banks to help increase the supply of money in the economy. These actions include the purchase of long-term government bonds and mortgage-backed securities (pools of mortgage loans packaged together and sold to the public).

Quantitative tightening refers to efforts by central banks to decrease the supply of money in the economy.

Yield curve control comprises the targeting of a longer-term interest rate by a central bank, which then buys or sells as many bonds as necessary to hit that rate target.

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 Commodity Total Return 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.

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 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.

Consumer price indexes measure changes in the price level of a weighted-average market basket of consumer goods and services purchased by households. A consumer price index is a statistical estimate constructed using the prices of a sample of representative items whose prices are collected periodically.

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 Asia Index tracks the performance of large- and mid-cap stocks representing approximately 85% of the free float-adjusted (i.e., including only shares that are available for public trading) market capitalization of China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand.

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 North America Index tracks the performance of the large- and mid-cap segments of the U.S. and Canada markets. With 712 constituents, the index covers approximately 85% of the free float-adjusted (i.e., including only shares that are available for public trading) market capitalization in the U.S. and Canada.

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.

The MSCI USA Index tracks the performance of the large- and mid-cap segments of the U.S. market. With 624 constituents, the index covers approximately 85% of the free float-adjusted (i.e., including only shares that are available for public trading) market capitalization in the U.S.

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.

The Personal Consumption Expenditures (PCE) Price Index measures the prices that consumers pay for goods and services to reveal underlying inflation trends. The Core PCE Price Index, the primary inflation monitor used by the Federal Reserve, excludes volatile food and energy prices.

A purchasing managers' index (PMI) tracks the prevailing direction of economic trends in the manufacturing and service sectors.

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 S&P Global Flash UK Services PMI Business Activity Index measures the activity level of purchasing managers in the services sector. A reading above 50 indicates expansion in the sector; a reading below 50 indicates contraction.

The S&P Global Flash Eurozone Manufacturing PMI measures the activity level of purchasing managers in the manufacturing sector of the eurozone. A reading above 50 indicates expansion in the sector; below 50 indicates contraction.

The S&P Global Flash Eurozone Services PMI measures the activity level of purchasing managers in the services sector of the eurozone. A reading above 50 indicates expansion in the sector; below 50 indicates contraction.

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.

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