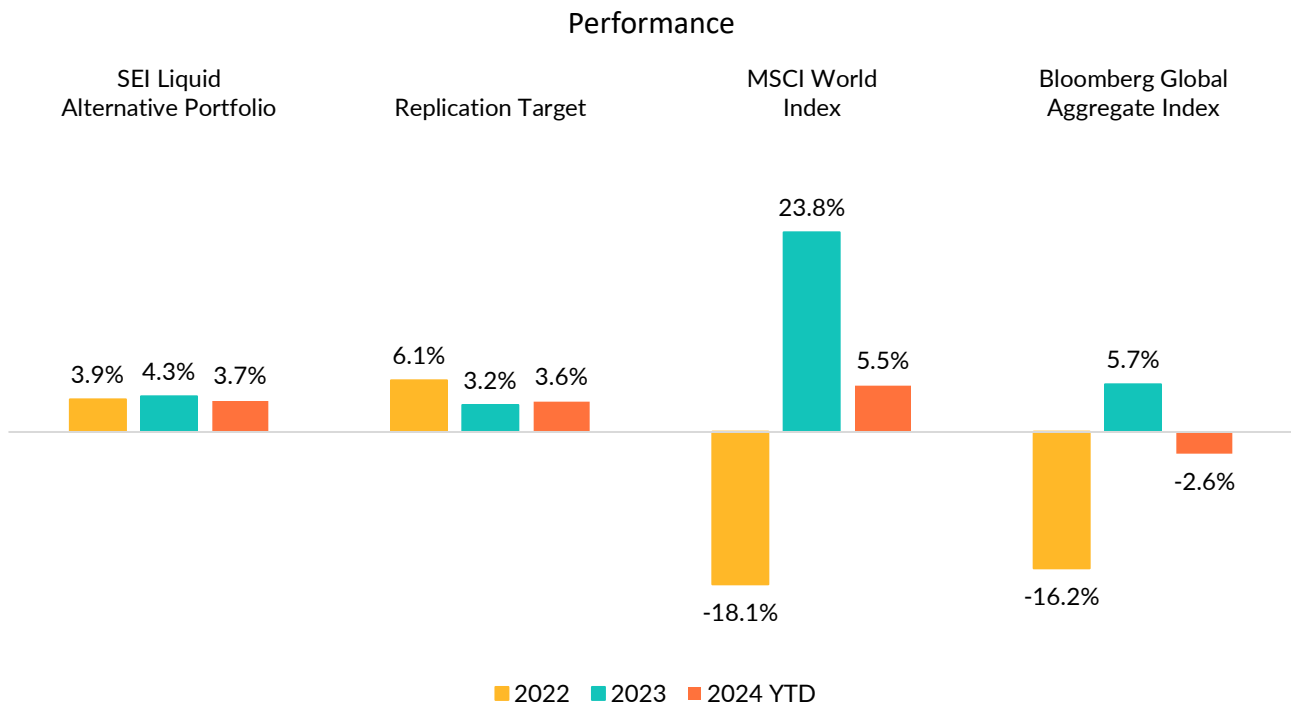




SEI LIQUID ALTERNATIVE FUND FEBRUARY 2024

Dear Colleagues:

The Portfolio¹ returned **2.6%** in February and is up **3.7%** in 2024, in line with the performance of the Target portfolio of seventy leading hedge funds. The MSCI World Index rose 4.3% for the month and the Bloomberg Global Aggregate Index fell -1.3%.



*Source: DBi and Bloomberg. Data as of February 29th, 2024

This document was prepared by DBi based upon information from sources believed to be reliable. However, DBi does not guarantee the accuracy of the information provided. This document includes opinions, projections and other forward-looking statements that reflect the opinions of DBi and are not guarantees of future performance. This document shall not constitute an offer to sell or a solicitation of an offer to purchase any security, investment product or investment advisory service offered by DBi. Past results may not be indicative of future performance.

Hedge funds are finally starting to believe in this equity rally. The shock rates hikes are over, they say. Powell has pulled off the seemingly impossible: a soft (or no) landing with disinflation. The Fed will cut rates; the only question is when. The economy and markets have sidestepped a long list of macroeconomic landmines. High rates are no longer about supply chains, wage pressures or stagflation -- but rather robust economic growth. The AI train seems unstoppable; stock market valuations, while high, may rationally reflect a step function in productivity and profits. Even the prospect of a second Trump presidential term – a horror to half of this country – could deliver an economic silver lining by making capitalism cool again.

Not surprisingly, stocks are soaring while bonds are struggling. After two years of “crash protection” mode, gross equity exposure among fundamental hedge funds is picking up, while managed futures funds have pivoted to fully risk on. Overall, our beta was negative in 2022, roughly zero in 2023 and now is positive. And that is precisely what we would hope to see: as the world changes, new opportunities will present themselves and hedge funds will seek to capitalize on them.

The **Strategic Alpha** (Multi-Strategy) replication portfolio returned **1.4%** in February and is up a modest **1.3%** for the year. The Target portfolio of Equity Long/Short, Relative Value and Event-Driven hedge funds rose 1.4% last month on preliminary reporting and has gained a slightly better 2.2% in 2024. Equity exposure has risen by more than a third since December; consequently, we have caught some (but clearly not all) of the strong equity rally. Those gains were partially offset by a hedge in the US dollar and mixed results in rates. Since inception, we estimate that the replication portfolio has delivered approximately 90% of pre-fee returns of the Target, with a correlation of around 0.80, and approximately 100 bps per annum of alpha.

The **Tactical Alpha** (Managed Futures) replication portfolio gained **4.5%** in February and has gained **7.4%** in 2024. The Target portfolio of managed futures funds rose 4.9% last month and has returned 6.0% this year. Since year end, the portfolio rapidly dialed up exposure to both equities and the King Dollar trade, which drove gains. Since inception, the replication portfolio has materially outperformed the Target hedge funds, net of fees, with a correlation of approximately 0.80 and 253 bps per annum of alpha.

Please do not hesitate to reach out with any questions or comments.

All the best,

The DBi Team

IMPORTANT DISCLOSURES

This presentation is prepared and circulated for informational purposes only and shall not constitute an offer to sell or the solicitation of an offer to invest in any programs ("Program" or "Programs") offered by Dynamic Beta investments in any jurisdiction. Such an offer may only be made pursuant to the definitive Trading Advisory Agreement of a Program, which will be furnished to qualified investors on a confidential basis upon request.

Dynamic Beta claims compliance with the Global Investment Performance Standards (GIPS®). The firm's list of composite descriptions is available upon request.

RISK DISCLOSURE

Past results are not indicative of future results.

Investment in the Programs is speculative and involves a high degree of risk, including the risk that the entire amount invested may be lost. The use of a proprietary technique, model or algorithm does not guarantee any specific or profitable results. There is no assurance that the Programs will be profitable. Past performance is not indicative of future results. Investment returns will fluctuate and the value of an investor's interest in a Program will fluctuate and may be worth more or less than the original cost when redeemed.

SOURCES

Some of the information presented in this document includes information that has been obtained from third-party sources. Dynamic Beta investments, LLC is the source and owner of all DBi performance information.

GLOSSARY OF TERMS

Alpha represents the portion of a fund return not attributable to beta.

Annualized Standard Deviation measures the annualized volatility of an asset over multiple time periods.

Beta is a measure of systematic risk of a fund compared to a market index.

Compounded Annual Return measures the annual rate of return of an asset over multiple time periods.

Maximum Drawdown measures the peak to trough decline of investment performance over a given period of time.

Sharpe Ratio measures the risk-adjusted returns of a fund and is a ratio equal to the annualized excess returns of the fund divided by its annualized standard deviation.

INDEX DEFINITIONS

The SG CTA Index is an index published by Société Générale that is designed to reflect the performance of a pool of Commodity Trading Advisors (CTAs) selected from the largest managers open to new investment and report returns on a daily basis. The index is equal-weighted and rebalanced annually. (Source Bloomberg. Ticker: NEIXCTA Index)

The MSCI World Index is an index maintained by MSCI that reflects the performance of large and mid-cap equities across 23 developed markets with net dividends reinvested. (Source Bloomberg. Ticker: M1WO Index)

Additional definitions available upon request.

¹ Performance of the portfolios managed by DBi, net of estimated fees and expenses. Please consult SEI directly for performance of individual share classes.