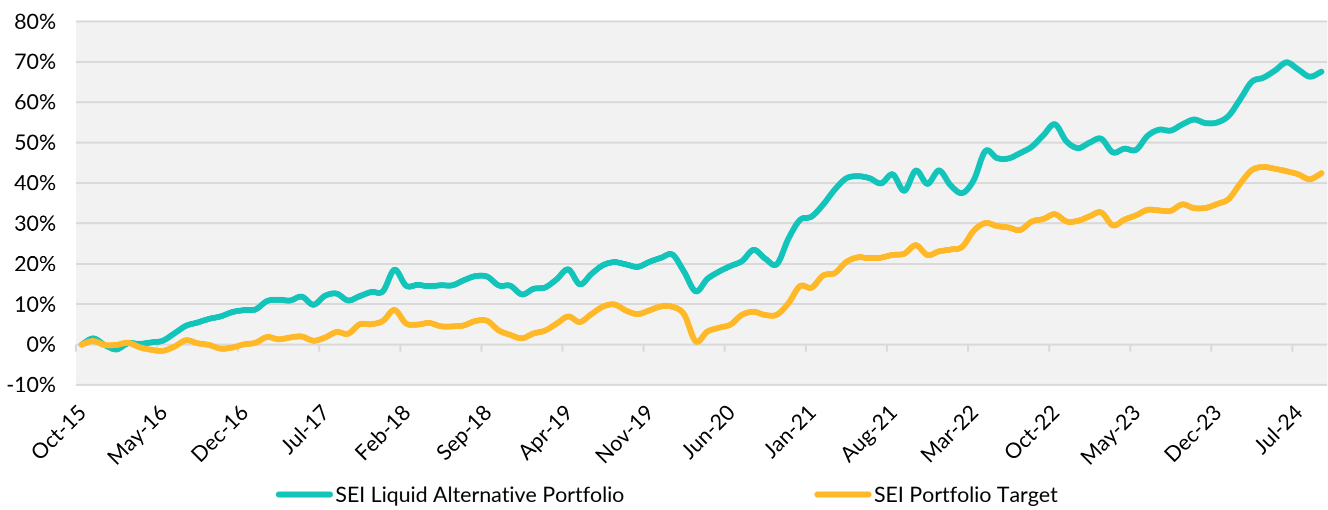
SEI LIQUID ALTERNATIVE FUND

3Q2024 Sub-Advisor Performance Review

The figures below represent the performance of the Fund's Portfolio managed by DBi, net of sub-advisory fees and estimated expenses, and are shown in USD terms. Please consult SEI directly for performance of individual share classes.

- The **Portfolio**[1] returned **-1.4%** in the third quarter and is up **8.1%** in 2024. The Fund is ahead of the target by 245 bps year-to-date.
- The **Strategic Alpha** (replication of Equity Long/Short, Relative Value and Event-Driven hedge funds) portfolio rose **2.2%** this quarter and is up **6.9%** this year.
- The **Tactical Alpha** (replication of Managed Futures funds) portfolio declined **-6.5%** in the third quarter and is up **10.0%** year-to-date.
- Since inception, the Portfolio has outperformed the Target portfolio of seventy leading hedge funds by approximately 191 bps per annum with a higher Sharpe ratio.



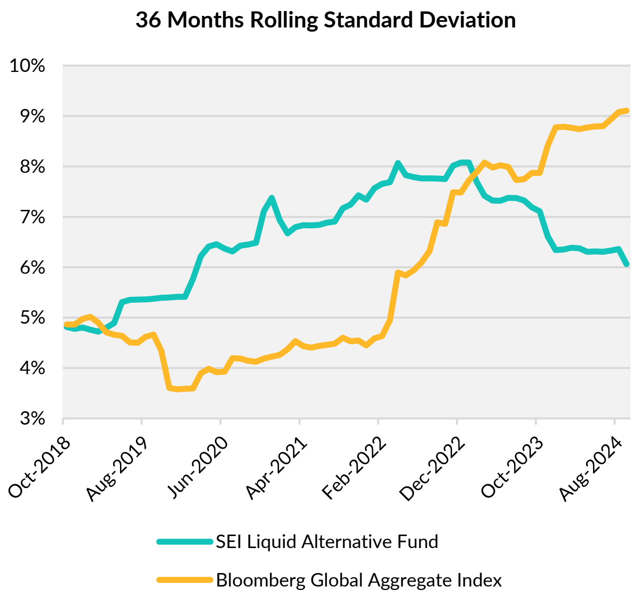
Inception to Sep 30, 2024	SEI Liquid Alternative Portfolio	SEI Portfolio Target HFs
CAGR	6.0%	4.1%
Cumulative Return	67.6%	42.4%
Volatility	6.0%	4.8%
Max Drawdown	-7.4%	-8.3%
Sharpe Ratio	0.67	0.45

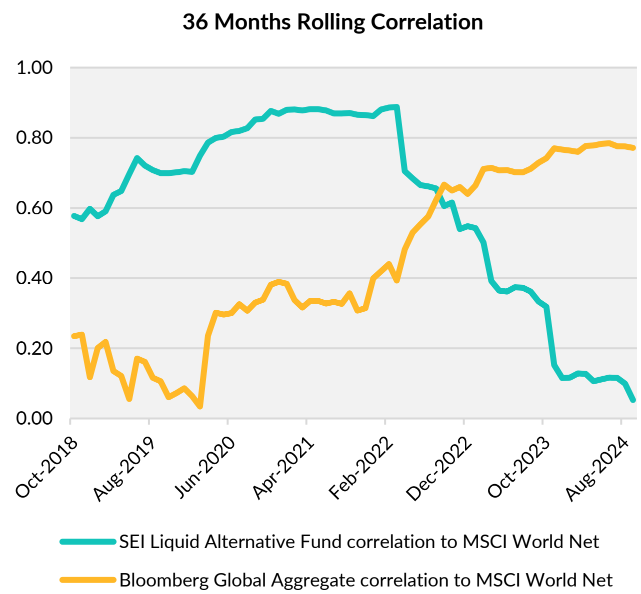
Source: Bloomberg, DBi, Eurekahedge. 16 November 2015 till 30 September 2024. Data refers to cumulative past performance. Cumulative past performance is not a reliable indicator of future results. The SGMF Liquid Alternative Fund referred to within this letter is not managed against the indices referenced in this letter or elsewhere in this presentation. This data is being shown for illustrative purposes only.

MARKET COMMENTARY

Well, they finally pulled the trigger. In mid-September, the Fed cut rates by 50 bps. The market breathed a collective sigh of relief, both stocks and bonds rose modestly, and attention turned to how many more cuts we can expect by year end.

Regardless of the path from here, the 2020s have upended several important market canons. Entering this decade, bonds were viewed as an iron-clad diversifier to stocks: high Sharpe ratio, low- to mid-single digit volatility, low or even inverse correlation. Those assumptions permeated every asset allocation model and drove the proliferation of 60/40 portfolios. Those assumptions, it turns out, were wrong. The chart on the below left shows that the rolling standard deviation of the Bloomberg Global Aggregate Bond index has more than doubled from the recent lows and notably, now exceeds that of this Fund. The chart on the right shows that the rolling correlation of bonds to the MSCI World Equity index now sits at an alarmingly high 0.8, actually having risen while the correlation of this Fund dropped to around zero.





Source: Bloomberg, DBi

PERFORMANCE REVIEW

The Portfolio declined **-1.4% net** in the third quarter and is up **8.1%** this year. Since inception, the Portfolio, on a gross of fees basis, has returned 484 bps more than cash[2] on an annualized basis with a beta to the MSCI World of 0.20. Versus the Target portfolio of seventy hedge funds, we have outperformed by approximately 191 bps per annum since inception with a correlation of around 0.8 – in line with our expectations. Notably, since inception, the Portfolio has exhibited a beta of 0.20 to stocks and -0.07 to bonds, while generating an annualized alpha of 203 basis points relative to stocks and 406 basis points relative to bonds[3].

STRATEGIC ALPHA (ELS/RV/ED) - 60% ALLOCATION

The Multi-Strategy replication portfolio gained **2.2%** during the third quarter and is up **6.9%** year-to-date. With relatively few funds reporting as of this writing, we expect the Target portfolio of fifty Equity Long/Short, Relative Value and Event-Driven hedge funds to be slightly ahead of our performance this year. Since inception, our replication models have delivered approximately 142 bps of annualized alpha relative to the Target with a correlation of 0.80 – yet with daily liquidity and reasonable fees. Positioning remained stable versus the previous quarter, with average exposures to equities relatively evenly distributed among market factors. A long-standing hedge in the US dollar detracted from performance.

TACTICAL ALPHA (MANAGED FUTURES) – 40% ALLOCATION

The Tactical Alpha portfolio, which seeks to replicate the pre-fee returns of leading managed futures hedges funds, returned **-6.5%** last quarter and is up **10.0%** this year. The SocGen CTA index declined -4.4% last quarter and is up 2.6% year-to-date. This marks one of the worst quarters for managed futures since inception in 2015 due to a pronounced unwinding of popular trades – particularly a strong dollar and delayed rate cuts. Broadly speaking, outperformance relative to the hedge funds is attributable to avoiding whipsaws in numerous "non-core" markets, especially in the late Spring; underperformance last quarter is explained by somewhat slower de-risking at the inflection point in late July/early August. Since launch in 2015, we have outperformed the index by 277 bps per annum and would rank among top decile hedge funds over this period.

During the quarter, we increased long equity risk, flipped into a significant long duration position in the Treasury portfolio, flattened the Yen short and pivoted from long to short the Euro. Within the commodity linked currencies, the portfolio has flipped from a long in the Canadian dollar to a short while maintaining a reduced long in the Australian dollar.

CONCLUSION

The broad investment community has been rooting for a return to "normalcy" – that is, how the world looked in the 2000s and 2010s. That is unlikely, for many of the reasons discussed in these letters. If next year's capital markets assumptions assume, for instance, a long-term correlation between stocks and bonds of 0.5, how does this impact a typical optimized portfolio? If bond volatility is 8% and not 4%, is the risk-adjusted return premium still attractive? The answer, of course, is that allocators today must hunt for diversifiers that are built around different sources of returns. This is driving, and will drive, higher allocations to alternative assets. Hence, 60/40 will migrate to something that looks more like 50/30/20. This Fund in essence was designed to help anchor that 20%.

We thank you as always for your support. Please do not hesitate to reach out with any questions or comments.

Sincerely,

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 a definitive Trading Advisory Agreement or similar offering document of a Program, which will be furnished to qualified investors on a confidential basis upon request.

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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.

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[1] The Portfolio reflects the USD performance of the managed accounts managed by DBi, net of 85 bps of estimated expenses. Please contact SEI for share class-level performance.
[2] Cash refers to 1 month USD Libor
[3] Stocks refers to the MSCI World Index and bonds refers to the Bloomberg Global Aggregate Bond Index