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## SEI FUND UPDATE

April 29, 2005

# SEI Manager Transition: Transamerica Investment Management, LLC to Delaware Investment Advisors

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### Effective April 2005

Transamerica Investment Management, LLC (“TIM”) was initially hired in September 2001 as a sub-advisor to SEI’s Large Cap Growth Fund, Tax Managed Large Cap Growth Fund, Large Cap Fund, and Separate Account platform. TIM’s primary competitive advantages were its extensive original research using non-traditional sources to gather information on a company, as well as the depth of research and the insights generated by the Large Cap Growth team, led by Jeff Vane Harte.

On April 1, 2005, five key members of TIM’s LCG team — including lead portfolio manager Jeff Van Harte— resigned and subsequently joined Delaware Investment Advisors (Delaware) on April 4, 2005. As of April 11, 2005, the entire San Francisco-based equity team resigned from TIM and accepted positions with Delaware. The departure of this team significantly diminished SEI’s confidence that TIM would continue to meet our expectations going forward.

SEI maintains a high degree of conviction in the large cap investment team now at Delaware. Accordingly, SEI has added Delaware as sub-advisor to the Large Cap Growth Fund, Tax Managed Large Cap Growth Fund, and Large Cap Fund as of April 28, 2005. Consequently, Transamerica no longer manages assets for SEI’s U.S. large cap mutual fund mandates.

Led by Jeff Van Harte, the large cap team’s ability to generate alpha remains intact at Delaware. The team continues to implement its established investment philosophy and process, remaining independent from other Delaware teams. The large cap team’s philosophy is based on finding first-in-class companies with strong fundamentals, distinct competitive advantages held over the long term, and high levels of discretionary cash flow and return on capital. Delaware’s competitive advantages include:

- √ **Robust Research:** The team conducts extensive, proprietary research on each security before adding it to the portfolio. It utilizes industry conferences and fixed income counterparts to gather security detail — methods of research that go above and beyond standard industry practice and most other large cap managers.
- √ **Strong Team Culture:** The team is comprised of seasoned investment professionals, who have the dual role of analysts and portfolio manager. As a result of experience and cohesive team environment, the investment professionals healthily debate investment ideas and challenge each others assumptions so that positions in the best securities occur timely fashion.

SEI believes the decision to add Delaware will (1) preserve our relationship with a trusted, proven equity investment team, (2) continue to provide the best manager solution for our large cap

strategies, and (3) ensure that the investment strategy for SEI's large cap mandates will remain consistent.

Delaware Investment Advisors was founded in 1929 as an investment counseling service and held \$96.6 billion in assets under management as of December 31, 2004. As of April 1995, the firm is a wholly-owned subsidiary and member of Lincoln Financial Group.

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