FORM 497

Definitive materials filed under paragraph (a), (b), (c), (d), (e) or (f) of Securities Act Rule 497

Filing Date: **1995-06-13**
SEC Accession No. 0000950109-95-002297

(HTML Version on secdatabase.com)

FILER

SEI INSTITUTIONAL MANAGED TRUST

CIK:**804239**| State of Incorp.:**MA** | Fiscal Year End: **0930**
Type: **497** | Act: **33** | File No.: **033-09504** | Film No.: **95546681**

Mailing Address
SEI INSTUTIONAL MANAGED TRUST
680 E SWEDESFORD RD
WAYNE PA 19087

Business Address
2 OLIVER ST
BOSTON MA 02109
8003455734

SEI INSTITUTIONAL MANAGED TRUST
JANUARY 31, 1995

LARGE CAP VALUE PORTFOLIO
LARGE CAP GROWTH PORTFOLIO
SMALL CAP VALUE PORTFOLIO
SMALL CAP GROWTH PORTFOLIO
MID-CAP GROWTH PORTFOLIO
CAPITAL APPRECIATION PORTFOLIO
EQUITY INCOME PORTFOLIO
BALANCED PORTFOLIO
CAPITAL GROWTH PORTFOLIO
REAL ESTATE SECURITIES PORTFOLIO

Please read this Prospectus carefully before investing, and keep it on file for future reference.

A Statement of Additional Information dated January 31, 1995 has been filed with the Securities and Exchange Commission and is available without charge through the Distributor, SEI Financial Services Company, 680 East Swedesford Road, Wayne, PA 19087 or by calling 1-800-342-5734. The Statement of Additional Information is incorporated into this Prospectus by reference.

SEI Institutional Managed Trust (the "Trust") is a mutual fund that offers financial institutions a convenient means of investing their own funds or funds for which they act in a fiduciary, agency or custodial capacity in professionally managed diversified and non-diversified portfolios of securities. A portfolio may offer separate classes of shares that differ from each other primarily in the allocation of certain distribution expenses and minimum investment amounts. This Prospectus offers the Class A and/or Class B shares of one balanced (fixed income and equity) and nine equity portfolios (the "Portfolios" and each of these, a "Portfolio") listed above.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE TRUST'S SHARES ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK. THE TRUST'S SHARES ARE NOT FEDERALLY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER GOVERNMENT AGENCY. INVESTMENT IN THE SHARES INVOLVES RISK, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

ANNUAL OPERATING EXPENSES (as a percentage of average net assets) Class A

<TABLE>
<CAPTION>

<S>	LARGE CAP VALUE PORTFOLIO <C>	LARGE CAP GROWTH PORTFOLIO <C>	SMALL CAP VALUE PORTFOLIO <C>	SMALL CAP GROWTH PORTFOLIO <C>	MID-CAP GROWTH PORTFOLIO <C>	CAPITAL APPRECIATION PORTFOLIO <C>	EQUITY INCOME PORTFOLIO <C>
Management Fee/Advisory Fees (after fee waiver) (2)	0.65%	0.70%	0.98%	0.99%	0.86%	0.75%	0.73%
12b-1 Fees (after fee waiver and reimbursements) (3)	0.05%	0.07%	0.07%	0.06%	0.08%	0.05%	0.06%
Other Expenses (after							

reimbursements) (4)	0.05%	0.08%	0.05%	0.05%	0.03%	0.04%	0.03%
Total Operating Expenses (after fee waiver) (5)	0.75%	0.85%	1.10%	1.10%	0.97%	0.84%	0.82%

</TABLE>

ANNUAL OPERATING EXPENSES (as a percentage of average net assets) Class A

<TABLE>
<CAPTION>

<S>	BALANCED PORTFOLIO <C>	CAPITAL GROWTH PORTFOLIO(1) <C>	REAL ESTATE SECURITIES PORTFOLIO(1) <C>
Management Fee/Advisory Fees (after fee waiver) (2)	0.59%	0.00%	0.85%
12b-1 Fees (after fee waiver and reimbursements) (3)	0.11%	0.00%	0.06%
Other Expenses (after reimbursements) (4)	0.05%	0.00%	0.04%
Total Operating Expenses (after fee waiver) (5)	0.75%	0.00%	0.95%

</TABLE>

(1) The Capital Growth and Real Estate Securities Portfolios offer only Class A shares.

(2) SEI Financial Management Corporation ("SFM"), in its capacity as Manager for each Portfolio, and certain of the investment advisers and sub-advisers (collectively, "advisers") have agreed to waive, on a voluntary basis, a portion of their fees, and the management/advisory fees shown reflect these voluntary waivers. Such fee waivers are voluntary and may be terminated at any time in the sole discretion of each entity that has agreed to waive a portion of its fee. Absent such fee waivers, management/advisory fees would be: Large Cap Value Portfolio, .70%; Large Cap Growth Portfolio, .75%; Small Cap Value Portfolio, 1.00%; Small Cap Growth Portfolio, 1.00%; Mid-Cap Growth Portfolio, .95%; Capital Appreciation Portfolio, .75%; Equity Income Portfolio, .75%; Balanced Portfolio, .75%; Capital Growth Portfolio, .50%; and Real Estate Securities Portfolio, .95%.

(3) The 12b-1 fee shown refers to each Portfolio's current 12b-1 budget for reimbursement of expenses and, with respect to the Capital Growth Portfolio, after reimbursement by SFM. SFM reserves the right to terminate its reimbursement at any time in its sole discretion. Absent such reimbursement, the 12b-1 fee would be .01% for the Capital Growth Portfolio. The maximum 12b-1 fees payable by Class A shares of each Portfolio is .30%.

(4) Other Expenses for the Large Cap Growth and Small Cap Value Portfolios are based on estimated amounts for the current fiscal year. Absent SFM's reimbursement of its management fee, other expenses for the Capital Growth Portfolio would be .03%. SFM reserves the right to terminate its reimbursement at any time in its sole discretion.

(5) Absent the voluntary fee waivers described above, total operating expenses for the Class A shares of the Portfolios would be: Large Cap Value Portfolio, .80%; Large Cap Growth Portfolio, .90%; Small Cap Value Portfolio, 1.12%; Small Cap Growth Portfolio, 1.11%; Mid-Cap Growth Portfolio, 1.06%; Capital Appreciation Portfolio, .84%; Equity Income Portfolio, .84%; Balanced Portfolio, .91%; Capital Growth Portfolio, .54%; and Real Estate Securities Portfolio, 1.05%. Additional information may be found under "The Advisers and Sub-Advisers" and "The Manager and Shareholder Servicing Agent."

EXAMPLE Class A

<TABLE>
<CAPTION>

<S>	1 YR. <C>	3 YRS. <C>	5 YRS. <C>	10 YRS. <C>
An investor in a Portfolio would pay the follow-				

ing expenses on a $1,000 investment assuming (1) 5% annual return and (2) redemption at the end of each time period:

Large Cap Value Portfolio	$ 8.00	$24.00	$42.00	$ 93.00
Large Cap Growth Portfolio	$ 9.00	$27.00	--	--
Small Cap Value Portfolio	$11.00	$35.00	--	--
Small Cap Growth Portfolio	$11.00	$35.00	$61.00	$134.00
Mid-Cap Growth Portfolio	$10.00	$31.00	$54.00	$119.00
Capital Appreciation Portfolio	$ 9.00	$27.00	$47.00	$104.00
Equity Income Portfolio	$ 8.00	$26.00	$46.00	$101.00
Balanced Portfolio	$ 8.00	$24.00	$42.00	$ 93.00
Capital Growth Portfolio	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Real Estate Securities Portfolio	$10.00	$30.00	$53.00	$117.00

</TABLE>

THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

The purpose of the expense table and example is to assist the investor in understanding the various costs and expenses that may be directly or indirectly borne by investors in Class A shares of the Portfolios. The information set forth in the foregoing table and example relates only to each Portfolio's Class A shares. Certain Portfolios also offer ProVantage Funds shares, which are subject to the same expenses except that ProVantage Funds shares bear different distribution costs and additional transfer agent costs and sales loads. A person who purchases shares through a financial institution may be charged separate fees by that institution. Additional information may be found under "The Manager and Shareholder Servicing Agent," "The Advisers and Sub-Advisers" and "Distribution."

Long-term shareholders may eventually pay more than the economic equivalent of the maximum front-end sales charges otherwise permitted by the Rules of Fair Practice (the "Rules") of the National Association of Securities Dealers, Inc. ("NASD").

ANNUAL OPERATING EXPENSES (as a percentage of average net assets) Class B

<TABLE>
<CAPTION>

<S>	LARGE CAP VALUE PORTFOLIO <C>	LARGE CAP GROWTH PORTFOLIO <C>	SMALL CAP VALUE PORTFOLIO <C>	SMALL CAP GROWTH PORTFOLIO <C>	MID-CAP GROWTH PORTFOLIO <C>	CAPITAL APPRECIATION PORTFOLIO <C>	EQUITY INCOME PORTFOLIO <C>
Management Fee/Advisory Fees (after fee waiver) (1)	0.65%	0.70%	0.98%	0.99%	0.86%	0.75%	0.73%
12b-1 Fees (2)	0.35%	0.37%	0.37%	0.36%	0.38%	0.35%	0.36%
Other Expenses (3)	0.05%	0.08%	0.05%	0.05%	0.03%	0.04%	0.03%
Total Operating Expenses (after fee waiver) (4)	1.05%	1.15%	1.40%	1.40%	1.27%	1.14%	1.12%

</TABLE>

ANNUAL OPERATING EXPENSES (as a percentage of average net assets) Class B

<TABLE>
<CAPTION>

<S>	BALANCED PORTFOLIO <C>
Management Fee/Advisory Fees (after fee waiver) (1)	0.59%
12b-1 Fees (2)	0.41%
Other Expenses (after reimbursements) (3)	0.05%

Total Operating Expenses (after fee waiver) (4)	1.05%

</TABLE>

(1) SEI Financial Management Corporation ("SFM"), in its capacity as Manager for each Portfolio, and certain of the investment advisers and sub-advisers (collectively, "advisers") have agreed to waive, on a voluntary basis, a portion of their fees, and the management/advisory fees shown reflect these voluntary waivers. Such fee waivers are voluntary and may be terminated at any time in the sole discretion of each entity that has agreed to waive a portion of its fee. Absent such fee waivers, management/advisory fees would be: Large Cap Value Portfolio, .70%; Large Cap Growth Portfolio, .75%; Small Cap Value Portfolio, 1.00%; Small Cap Growth Portfolio, 1.00%; Mid-Cap Growth Portfolio, .95%; Capital Appreciation Portfolio, .75%; Equity Income Portfolio, .75%; and Balanced Portfolio, .75%.

(2) The 12b-1 fees shown include the Large Cap Value, Large Cap Growth, Small Cap Value, Small Cap Growth, Mid-Cap Growth, Capital Appreciation, Equity Income and Balanced Portfolios' current 12b-1 budget. The maximum 12b-1 fees payable by Class B shares of these Portfolios are .60%.

(3) Other Expenses for the Large Cap Growth and Small Cap Value Portfolios are based on estimated amounts for the current fiscal year.

(4) Absent the voluntary fee waivers described above, total operating expenses for the Class B Shares of the Portfolios would be: Large Cap Value Portfolio, 1.10%; Large Cap Growth Portfolio, 1.20%; Small Cap Value Portfolio, 1.42%; Small Cap Growth Portfolio, 1.41%; Mid-Cap Growth Portfolio, 1.36%; Capital Appreciation Portfolio, 1.14%; Equity Income Portfolio, 1.14%; and Balanced Portfolio, 1.21%. Additional information may be found under "The Advisers and Sub-Advisers" and "The Manager and Shareholder Servicing Agent."

EXAMPLE Class B

<TABLE>
<CAPTION>

<S>	1 YR. <C>	3 YRS. <C>	5 YRS. <C>	10 YRS. <C>
An investor in a Portfolio would pay the following expenses on a $1,000 investment assuming (1) 5% annual return and (2) redemption at the end of each time period:				
Large Cap Value Portfolio	$11.00	$33.00	$58.00	$128.00
Large Cap Growth Portfolio	$12.00	$37.00	--	--
Small Cap Value Portfolio	$14.00	$44.00	--	--
Small Cap Growth Portfolio	$14.00	$44.00	$77.00	$168.00
Mid-Cap Growth Portfolio	$13.00	$40.00	$70.00	$153.00
Capital Appreciation Portfolio	$12.00	$36.00	$63.00	$139.00
Equity Income Portfolio	$11.00	$36.00	$62.00	$136.00
Balanced Portfolio	$11.00	$33.00	$58.00	$128.00

</TABLE>

THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

The purpose of the expense table and example is to assist the investor in understanding the various costs and expenses that may be directly or indirectly borne by investors in Class B shares of the Portfolios. The information set forth in the foregoing table and example relates only to each Portfolio's Class B shares. Certain Portfolios also offer ProVantage Funds shares, which are subject to the same expenses except that ProVantage Funds shares bear different distribution costs and additional transfer agent costs and sales loads. A person who purchases shares through a financial institution may be charged separate fees by that institution. Additional information may be found under "The Manager and Shareholder Servicing Agent," "The Advisers and Sub-Advisers" and "Distribution."

Long-term shareholders may eventually pay more than the economic equivalent of the maximum front-end sales charges otherwise permitted by the Rules of Fair Practice (the "Rules") of the National Association of Securities Dealers, Inc. ("NASD").

FINANCIAL HIGHLIGHTS

The following information has been audited by Price Waterhouse LLP, the Trust's independent accountants, as indicated in their report dated November 11, 1994 on the Trust's financial statements as of September 30, 1994 included in the Trust's Statement of Additional Information under "Financial Information." Additional performance information is set forth in the 1994 Annual Report to Shareholders and is available upon request and without charge by calling 1-800-342-5734. As of the most recent fiscal year, there were no shares outstanding of the Large Cap Growth, Small Cap Value and Real Estate Securities Portfolios and no Class B shares outstanding of any Portfolio. This table should be read in conjunction with the Trust's financial statements and notes thereto.

FOR A CLASS A SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

	Large Cap Value Portfolio (1)(2)(3)							
	For the periods ended September 30,							
	1994	1993	1992	1991	1990	1989	1988	1987 (4)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net Asset Value, Beginning of Period	$11.54	$12.49	$12.05	$9.30	$11.75	$9.45	$10.99	$10.00
Income from Investment Operations:								
Net Investment Income (Loss)	0.28	0.31	0.34	0.35	0.33	0.33	0.30	0.12
Net Realized and Unrealized Gains (Losses) on Securities	(0.46)	0.22	0.71	2.92	(2.16)	2.24	(1.52)	0.96
Total from Investment Operations	$(0.18)	$.53	$1.05	$3.27	$(1.83)	$2.57	$(1.22)	$1.08
Less Distributions:								
Dividends from Net Investment Income	(0.27)	(0.33)	(0.33)	(0.35)	(0.38)	(0.27)	(0.31)	(0.09)
Distributions from Realized Capital Gains	(0.38)	(1.15)	(0.28)	(0.17)	(0.24)	--	(0.01)	--
Total Distributions	$(0.65)	$(1.48)	$(0.61)	$(0.52)	$(0.62)	$(0.27)	$(0.32)	$(0.09)
Net Asset Value, End of Period	$10.71	$11.54	$12.49	$12.05	$9.30	$11.75	$9.45	$10.99
Total Return	(1.64)%	4.35%	9.17%	35.95%	(16.42)%	27.58%	(10.88)%	24.28%
Ratios/Supplemental Data:								
Net Assets, End of Period (000)	$133,178	$205,157	$242,065	$187,876	$119,763	$111,810	$ 44,841	$39,234
Ratio of Expenses to Average Net Assets	0.75%	0.75%	0.75%	0.75%	0.75%	0.76%	0.75%	0.74%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	0.75%	0.76%	0.80%	0.83%	0.98%	1.26%	1.33%	1.14%
Ratio of Net Investment Income (Loss) to Average Net Assets	2.51%	2.64%	2.79%	3.11%	3.05%	3.31%	3.37%	2.82%

Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	2.51%	2.63%	2.74%	3.03%	2.82%	2.81%	2.79%	2.42%
Portfolio Turnover Rate	67%	96%	17%	25%	28%	29%	44%	7%

</TABLE>

(1) Large Cap Value Portfolio's Investment Adviser changed on October 22, 1992 and on October 3, 1994.
(2) On October 3, 1994 the Value Portfolio changed its name to the Large Cap Value Portfolio.
(3) As of December 16, 1994, the Large Cap Value Portfolio's investment adviser is SEI Financial Management Corporation and its sub-advisers are LSV Asset Management, Mellon Equity Associates and Merus Capital Management.
(4) Large Cap Value Class A shares were offered beginning April 20, 1987. All ratios including total return for that period have been annualized.

FINANCIAL HIGHLIGHTS (CONTINUED)

FOR A CLASS A SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

	Small Cap Growth Portfolio		
	For the periods ended September 30,		
	1994	1993	1992 (1)
<S>	<C>	<C>	<C>
Net Asset Value, Beginning of Period	$14.67	$10.65	$10.00
Income from Investment Operations:			
Net Investment Income (Loss)	(0.05)	(0.02)	0.02
Net Realized and Unrealized Gains (Losses) on Securities	0.07	4.05	0.65
Total from Investment Operations	$0.02	$4.03	$0.67
Less Distributions:			
Dividends from Net Investment Income	--	(0.01)	(0.02)
Distributions from Realized Capital Gains	(0.65)	--	--
Total Distributions	$(0.65)	$(0.01)	$(0.02)
Net Asset Value, End of Period	$14.04	$14.67	$10.65
Total Return	0.23%	37.81%	15.07%
Ratios/Supplemental Data:			
Net Assets, End of Period (000)	$300,296	$193,816	$36,191
Ratio of Expenses to Average Net Assets	1.01%	0.97%	0.97%

Ratio of Expenses to Average Net Assets (Excluding Waivers)	1.11%	1.14%	1.29%
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.51)%	(0.25)%	0.49%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	(0.61)%	(0.42)%	0.17%
Portfolio Turnover Rate	97%	85%	33%

</TABLE>

(1) Small Cap Growth Class A shares were offered beginning April 20, 1992. All ratios including total return for that period have been annualized.

FINANCIAL HIGHLIGHTS (CONTINUED)

FOR A CLASS A FUNDS SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

	Mid-Cap Growth Portfolio	
	For the periods ended September 30,	
	1994	1993(1)
<S>	<C>	<C>
Net Asset Value Beginning of Period	$12.10	$10.00
Income from Investment Operations:		
Net Investment Income (Loss)	0.01	0.01
Net Realized and Unrealized Gains (Losses) on Securities	(0.98)	2.10
Total from Investment Operations	$(0.97)	$2.11
Less Distributions:		
Dividends from Net Investment Income	(0.01)	(0.01)
Distributions from Realized Capital Gains	(0.23)	--
Total Distributions	$(0.24)	$(0.01)
Net Asset Value, End of Period	$10.89	$12.10
Total Return	(8.10)%	34.06%
Ratios/Supplemental Data:		
Net Assets, End of Period (000)	$108,002	$57,669
Ratio of Expenses to Average Net Assets	0.93%	0.90%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	1.06%	1.12%
Ratio of Net Investment Income (Loss) to Average Net Assets	0.03%	0.26%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	(0.10)%	0.04%
Portfolio Turnover Rate	89%	87%

</TABLE>

(1) Mid-Cap Growth Class A shares were offered beginning February 16, 1993. All ratios including total return for that period have been annualized.

FINANCIAL HIGHLIGHTS (CONTINUED)

FOR A CLASS A SHARE OUTSTANDING THROUGHOUT THE PERIOD

Capital Appreciation Portfolio

For the periods ended September 30,

	1994	1993	1992	1991	1990	1989	1988 (1)
Net Asset Value, Beginning of Period	$16.36	$15.09	$14.15	$11.21	$13.29	$10.06	$10.00
Income from Investment Operations:							
Net Investment Income (Loss)	0.24	0.32	0.30	0.41	0.35	0.31	0.16
Net Realized and Unrealized Gains (Losses) on Securities	(0.22)	1.68	1.23	3.06	(1.01)	3.34	0.03
Total from Investment Operations	$0.02	$2.00	$1.53	$3.47	$(0.66)	$3.65	$0.19
Less Distributions:							
Dividends from Net Investment Income	(0.25)	(0.30)	(0.30)	(0.40)	(0.39)	(0.28)	(0.13)
Distributions from Realized Capital Gains	(0.95)	(0.43)	(0.29)	(0.13)	(1.03)	(0.14)	--
Total Distributions	$(1.20)	$(0.73)	$(0.59)	$(0.53)	$(1.42)	$(0.42)	$(0.13)
Net Asset Value, End of Period	$15.18	$16.36	$15.09	$14.15	$11.21	$13.29	$10.06
Total Return	(0.11)%	13.50%	11.03%	31.69%	(5.75)%	37.43%	3.34%
Ratios/Supplemental Data:							
Net Assets, End of Period (000)	$729,100	$776,745	$536,028	$248,440	$47,250	$47,250	$17,848
Ratio of Expenses to Average Net Assets	0.79%	0.75%	0.75%	0.75%	0.75%	0.76%	0.76%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	0.84%	0.84%	0.88%	0.94%	1.04%	1.50%	1.14%
Ratio of Net Investment Income (Loss) to Average Net Assets	1.45%	2.06%	2.12%	3.10%	2.95%	2.98%	3.17%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	1.40%	1.97%	1.99%	2.91%	2.66%	2.24%	2.79%
Portfolio Turnover Rate	109%	119%	84%	83%	96%	122%	87%

(1) Capital Appreciation Class A shares were offered beginning March 1, 1988.

All ratios including total return for that period have been annualized.

FINANCIAL HIGHLIGHTS (CONTINUED)

FOR A CLASS A SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

Equity Income Portfolio

For the periods ended September 30,

	1994	1993	1992	1991	1990	1989	1988 (1)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net Asset Value, Beginning of Period	$15.00	$13.33	$12.36	$10.09	$12.82	$10.37	$10.00
Income from Investment Operations:							
Net Investment Income (Loss)	0.51	0.54	0.52	0.57	0.62	0.49	0.10
Net Realized and Unrealized Gains (Losses) on Securities	(0.38)	1.75	1.05	2.54	(2.41)	2.40	0.34
Total from Investment Operations	$0.13	$2.29	$1.57	$3.11	$3.03	$2.89	$0.44
Less Distributions:							
Dividends from Net Investment Income	(0.50)	(0.51)	(0.52)	(0.60)	(0.66)	(0.42)	(0.07)
Distributions from Realized Capital Gains	(0.57)	(0.08)	(0.08)	(0.24)	(0.28)	(0.02)	--
Total Distributions	$(1.07)	$(0.59)	$(0.60)	$(0.84)	$(0.94)	$(0.44)	$(0.07)
Net Asset Value, End of Period	$14.06	$15.00	$13.33	$12.36	$10.09	$12.82	$10.37
Total Return	1.05%	17.34%	13.03%	32.05%	(15.02)%	28.53%	13.49%
Ratios/Supplemental Data:							
Net Assets, End of Period (000)	$418,207	$337,939	$178,756	$93,552	$54,193	$30,865	$2,910
Ratio of Expenses to Average Net Assets	0.78%	0.75%	0.75%	0.75%	0.75%	0.76%	1.04%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	0.84%	0.85%	0.87%	0.86%	1.02%	2.62%	1.18%
Ratio of Net Investment Income (Loss) to Average Net Assets	3.68%	3.73%	4.15%	4.99%	5.63%	5.03%	4.74%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	3.62%	3.63%	4.03%	4.88%	5.36%	3.17%	4.60%
Portfolio Turnover Rate	28%	39%	18%	42%	33%	11%	5%

</TABLE>
(1) Equity Income Class A shares were offered beginning June 2, 1988. All ratios including total return for that period have been annualized.

FINANCIAL HIGHLIGHTS (CONTINUED)

FOR A CLASS A SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

	Balanced Portfolio (1)				
	For the periods ended September 30,				
	1994	1993	1992	1991	1990 (2)
<S>	<C>	<C>	<C>	<C>	<C>
Net Asset Value, Beginning of Period	$12.24	$11.35	$10.70	$9.77	$10.00
Income from Investment Operations:					
Net Investment Income (Loss)	0.23	0.25	0.52	0.65	0.07
Net Realized and Unrealized Gains (Losses) on Securities	(0.62)	1.29	0.73	0.96	(0.30)
Total from Investment Operations	$(0.39)	$1.54	$1.25	$1.61	$(0.23)
Less Distributions:					
Dividends from Net Investment Income	(0.22)	(0.26)	(0.53)	(0.68)	--
Distributions from Realized Capital Gains	(0.11)	(0.39)	(0.07)	--	--
Total Distributions	$(0.33)	$(0.65)	$(0.60)	$(0.68)	--
Net Asset Value, End of Period	$11.52	$12.24	$11.35	$10.70	$9.77
Total Return	(3.25)%	14.49%	11.64%	15.96%	(15.56)%
Ratios/Supplemental Data:					
Net Assets, End of Period (000)	$65,480	$33,807	$5,974	$2,174	$459
Ratio of Expenses to Average Net Assets	0.75%	0.75%	0.75%	0.75%	0.76%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	0.91%	0.94%	1.12%	2.54%	3.23%
Ratio of Net Investment Income (Loss) to Average Net Assets	2.05%	2.24%	4.83%	5.68%	5.66%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	1.89%	2.05%	4.46%	3.89%	3.19%
Portfolio Turnover Rate	149%	109%	101%	19%	0%

</TABLE>
(1) Balanced Portfolio's Investment Adviser changed on September 6, 1992.
(2) Balanced Class A shares were offered beginning August 7, 1990. All ratios including total return for that period have been annualized.

FINANCIAL HIGHLIGHTS (CONTINUED)

FOR A CLASS A SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

	Capital Growth Portfolio				
	For the periods ended September 30,				
	1994	1993	1992	1991	1990 (1)
<S>	<C>	<C>	<C>	<C>	<C>
Net Asset Value, Beginning of Period	$13.94	$12.50	$11.51	$8.38	$10.00
Income from Investment Operations:					
Net Investment Income (Loss)	0.20	0.21	0.55	0.26	0.26
Net Realized and Unrealized Gains (Losses) on Securities	(0.04)	2.66	1.81	3.16	(1.65)
Total from Investment Operations	$0.16	$2.87	$2.36	$3.42	$(1.39)
Less Distributions:					
Dividends from Net Investment Income	(0.20)	(0.21)	(0.57)	(0.25)	(0.23)
Distributions from Realized Capital Gains	(2.35)	(1.22)	(0.80)	(0.04)	--
Total Distributions	$(2.55)	$(1.43)	$(1.37)	$(0.29)	$(0.23)
Net Asset Value, End of Period	$11.55	$13.94	$12.50	$11.51	$8.38
Total Return	1.51%	24.40%	18.87%	43.00%	(19.27)%
Ratios/Supplemental Data:					
Net Assets, End of Period (000)	$132,962	$203,001	$170,829	$123,057	$76,876
Ratio of Expenses to Average Net Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	0.54%	0.54%	0.55%	0.59%	0.48%
Ratio of Net Investment Income (Loss) to Average Net Assets	1.61%	1.63%	1.78%	2.60%	3.73%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	1.07%	1.09%	1.23%	2.01%	3.25%
Portfolio Turnover Rate	81%	120%	111%	135%	99%

</TABLE>

(1) Capital Growth Class A shares were offered beginning January 4, 1990. All ratios including total return for that period have been annualized.

THE TRUST

SEI INSTITUTIONAL MANAGED TRUST (the "Trust") is an open-end management investment company that has diversified and non-diversified portfolios. The Trust offers units of beneficial interest ("shares") in separate investment portfolios. Certain portfolios have three separate classes of shares, Class A, Class B and ProVantage Funds, which provide for variations in distribution and transfer agent costs, sales charges, voting rights and dividends. This prospectus offers Class A and B shares of the Trust's Large Cap Value, Large Cap Growth, Small Cap Value, Small Cap Growth, Mid-Cap Growth, Capital Appreciation, Equity Income and Balanced Portfolios and Class A shares of the Trust's Capital Growth and Real Estate Securities Portfolios (the "Portfolios" and each of these, a "Portfolio"). Additional information pertaining to the Trust may be obtained in writing from SEI Financial Services Company, 680 East Swedesford Road, Wayne, PA 19087 or by calling 1-800-342-5734.

INVESTMENT OBJECTIVES AND POLICIES

LARGE CAP VALUE PORTFOLIO

The investment objective of the Large Cap Value Portfolio is long-term growth of capital and income. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio invests primarily in a diversified portfolio of high quality, income producing common stocks which, in the advisers' opinion, are undervalued in the marketplace at the time of purchase. In general, the advisers characterize high quality securities as those that have above-average returns-on-equity and above average reinvestment rates relative to the stock market in general as measured by the S&P Barra/Value Index. The advisers also consider other factors, such as earnings and dividend growth prospects as well as industry outlook and market share. Under normal conditions, the Portfolio will invest at least 65% of its total assets in common stocks of companies with a market capitalization of at least $1 billion.

Under normal circumstances the Portfolio, to the extent not invested in the securities described above, may invest in investment grade bonds. Investment grade bonds include securities rated BBB by Standard & Poor's Corporation (S&P") or Baa by Moody's Investors Service, Inc. (Moody's), which may be regarded as having speculative characteristics.

The Portfolio's investment adviser is SEI Financial Management Corporation and its investment sub-advisers are LSV Asset Management, Mellon Equity Associates and Merus Capital Management.

LARGE CAP GROWTH PORTFOLIO

The investment objective of the Large Cap Growth Portfolio is capital appreciation. There is no assurance that the Portfolio will achieve its investment objective.

Under normal conditions, the Portfolio will invest at least 65% of its total assets in equity securities of large companies (i.e., companies with market capitalizations of more than $1 billion). The Portfolio's advisers will generally select securities of issuers believed to possess significant growth potential. Any remaining assets may be invested in fixed income securities or in equity securities of smaller companies that the Portfolio's advisers

believe are appropriate in light of the Portfolio's objective. Equity securities include common stock, preferred stock, warrants or rights to subscribe to common stock and, in general, any security that is convertible into or exchangeable for common stock. Fixed income securities must be rated investment grade or better, i.e., rated at least BBB by S&P or Baa by Moody's. Debt securities rated BBB or Baa lack outstanding investment characteristics, and have speculative characteristics as well.

In order to meet liquidity needs, or for temporary defensive purposes, the Portfolio may invest up to 100% of its assets in cash and money market securities. Money market securities must be rated in one of the top two categories by a major rating service or, if unrated, be of comparable quality as determined by the Portfolio's adviser.

The Portfolio's annual turnover rate may exceed 100%. Such a turnover rate may result in higher transaction costs and may result in additional taxes for shareholders. See "Taxes."

The Portfolio's investment adviser is SEI Financial Management Corporation and its investment sub-advisers are Alliance Capital Management L.P. and IDS Advisory Group Inc.

SMALL CAP VALUE PORTFOLIO

The investment objective of the Small Cap Value Portfolio is capital appreciation. There is no assurance that the Portfolio will achieve its investment objective.

Under normal market conditions, the Portfolio will invest at least 65% of its total assets in the equity securities of smaller companies (i.e., companies with market capitalizations of less than $1 billion). The Portfolio's advisers will select securities of companies believed to be undervalued on the basis of various market-related criteria. Any remaining assets may be invested in fixed income securities or equity securities of larger, more established companies that the Portfolio's advisers believe are appropriate in light of the Portfolio's objective. Equity securities include common stock, preferred stock, warrants and rights to subscribe to common stock and, in general, any security that is convertible into or exchangeable for common stock. Fixed income securities must be rated investment grade or better, i.e., rated at least BBB by S&P or Baa by Moody's. Debt securities rated BBB or Baa lack outstanding investment characteristics, and have speculative characteristics as well.

In order to meet liquidity needs, or for temporary defensive purposes, the Portfolio may invest up to 100% of its assets in cash and money market securities. Money market securities must be rated in one of the two top categories by a major rating service or, if unrated, be of comparable quality as determined by the Portfolio's advisers.

The Portfolio's investment adviser is SEI Financial Management Corporation and its investment sub-adviser is 1838 Investment Advisors, L.P.

SMALL CAP GROWTH PORTFOLIO

The investment objective of the Small Cap Growth Portfolio is to provide long-term capital appreciation by investing primarily in equity securities of smaller companies. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio seeks to provide long-term capital appreciation. The Portfolio's policy is to invest in equity securities of smaller companies that the advisers believe are in an early stage or transitional point in their development and have demonstrated or have the potential for above average capital growth. The advisers will select companies which have the potential to gain market share in their industry, achieve and maintain high and consistent profitability or produce increases in earnings. The advisers also seek companies with strong company management and superior fundamental strength.

Under normal market conditions, the Portfolio will invest at least 65% of its total assets in the equity securities of smaller growth companies (i.e., market capitalizations less than $1 billion). Small capitalization companies have the potential to show earnings growth over time that is well above the growth rate of the overall economy. The remaining 35% of the Portfolio's assets may be invested in the equity securities of more established companies that the advisers believe may offer strong capital appreciation potential due to their relative market position, anticipated earnings growth, changes in management or other similar opportunities. Equity securities include common stock, preferred stock, warrants and rights to subscribe to common stock and, in general, any security that is convertible into or exchangeable for common stock.

For temporary defensive purposes, when in the opinion of the advisers market conditions so warrant, the Portfolio may invest all or a portion of its assets in common stocks of larger, more established companies or in fixed income securities or money market securities (consisting of securities issued or guaranteed by the United States Government, its agencies or instrumentalities, repurchase agreements backed by such securities, certificates of deposit, bankers acceptances and high-grade commercial paper). Fixed income securities will only be purchased if they are rated investment grade or better. Investment grade bonds include securities rated at least BBB by S&P or Baa by Moody's. Securities rated BBB or Baa may be regarded as having speculative characteristics. Short-term money market securities will only be purchased if they have been given one of the two top ratings by a major rating service, or if unrated, are of comparable quality as determined by the advisers. To the extent the Portfolio is engaged in temporary defensive investments, the Portfolio will not be pursuing its investment objective.

The Portfolio's investment advisers are Investment Advisers, Inc., Nicholas-Applegate Capital Management (a Limited Partnership) and Pilgrim Baxter & Associates, Ltd.

MID-CAP GROWTH PORTFOLIO

The investment objective of the Mid-Cap Growth Portfolio is to provide long-term capital appreciation by investing primarily in equity securities of medium sized companies. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio seeks to achieve its investment objective by investing in equity securities of medium sized companies. Under normal market conditions, the Portfolio will invest at least 65% of its total assets in equity securities of companies having stock market capitalizations of $500 million to $5 billion. Such companies are typically well

established but have not reached full maturity and may offer significant growth potential. The adviser will seek to identify companies which, in its opinion, will experience accelerating earnings, increased institutional ownership or strong price appreciation relative to their industries and broad market averages.

All of the equity securities in which the Portfolio invests are traded on registered exchanges or on the over-the-counter market in the United States. Equity securities include common stock, warrants and rights to subscribe to common stock and, in general, any security that is convertible into or exchangeable for common stock.

Any assets not invested in equity securities of medium sized companies as described above are invested in equity securities of larger, more established companies or in fixed income securities or short-term money market securities (including securities issued or guaranteed by the United States Government, its agencies or instrumentalities, repurchase agreements backed by such securities, certificates of deposit, bankers' acceptances and high-grade commercial paper). Fixed income securities will only be purchased if they are rated investment grade or better at time of purchase. Investment grade bonds include securities rated at least BBB by S&P or Baa by Moody's. Securities rated BBB or Baa may be regarded as having speculative characteristics. Short-term money market securities, certificates of deposit, banker's acceptances and commercial paper will only be purchased if they have been given one of the two top ratings by a major rating service, or if unrated, are of comparable quality as determined by the adviser. For temporary defensive purposes, when the adviser determined that market conditions warrant, the Portfolio may invest all or a portion of its assets in the securities or instruments described in this paragraph.

The Portfolio's investment adviser is Nicholas-Applegate Capital Management.

CAPITAL APPRECIATION PORTFOLIO

The investment objective of the Capital Appreciation Portfolio is capital appreciation. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio invests primarily in a diversified portfolio of common stocks (and securities convertible into common stock) which, in the adviser's opinion, are undervalued in the marketplace at the time of purchase. Dividend income is an incidental consideration compared to growth of capital. In selecting securities for the Portfolio, the adviser will evaluate factors it believes are likely to affect long-term capital appreciation such as the issuer's background, industry position, historical returns on equity and experience and qualifications of the management team. The adviser will rotate the Portfolio holdings between various market sectors based on economic analysis of the overall business cycle. Under normal conditions, at least 65% of the Portfolio will be invested in common stocks.

Under normal circumstances the Portfolio, to the extent not invested in the securities described above, may invest in investment grade bonds. Investment grade bonds include securities rated BBB by S&P or Baa by Moody's, which may be regarded as having speculative characteristics.

For the fiscal year ended September 30, 1994, as a result of its investment strategies, the Portfolio's annual portfolio turnover rate is 109%. Such a turnover rate may result in higher transaction costs and may result in additional taxes for shareholders. See "Taxes."

The Portfolio's investment adviser is SunBank Capital Management, N.A.

EQUITY INCOME PORTFOLIO

The investment objective of the Equity Income Portfolio is to provide current income and, as a secondary objective, moderate capital appreciation. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio invests primarily in a diversified portfolio of common stocks. The investment approach employed by the adviser emphasizes income producing common stocks which, in general, have above-average dividend yields relative to the stock market as measured by the S&P 500 Index. Under normal conditions, at least 65% of the Portfolio will be invested in common stocks.

Under normal circumstances the Portfolio, to the extent not invested in the securities described above, may invest in investment grade bonds. Investment grade bonds include securities rated BBB by S&P or Baa by Moody's, which may be regarded as having speculative characteristics.

The Portfolio's investment adviser is Merus Capital Management.

BALANCED PORTFOLIO

The investment objective of the Balanced Portfolio is total return consistent with the preservation of capital. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio invests in a combination of undervalued common stocks and fixed income securities. The Portfolio seeks strong total return in all market conditions, with a special emphasis on minimizing interim declines during falling equity markets. The Portfolio primarily invests in large capitalization equity securities, intermediate-maturity fixed income securities and money market instruments.

Under normal conditions, the Portfolio will invest a minimum of 25% of its total assets in investment grade fixed income securities. Such securities consist of bonds, debentures, notes and similar obligations or instruments which constitute a security and evidence indebtedness. Fixed income securities in which the Portfolio may invest are United States Government securities, mortgage-backed securities, corporate bonds and bank obligations.

The Portfolio will invest in corporate bonds rated BBB or higher by S&P or Baa or higher by Moody's at the time of purchase. Corporate bonds rated BBB or Baa are considered to be medium grade obligations that have some speculative characteristics.

The Portfolio will, under normal conditions, invest between 30% and 70% of its total assets in common stocks, depending upon the adviser's assessment of market conditions. When the adviser believes that equity markets are overvalued, the common stock exposure will be at the low end of this range. The adviser expects that equity

exposure will average 60% over time. The Portfolio may also invest in U.S. dollar denominated securities of foreign issuers (including American Depositary Receipts that are traded on registered exchanges or listed on NASDAQ).

The average maturity of the fixed income securities in the Portfolio will, under normal circumstances, be approximately five years, although this will vary with changing market conditions.

For the fiscal year ended September 30, 1994, as a result of its investment strategies, the equity and fixed-income portions of the Portfolio's annual turnover rate is 128% and 197%, respectively. Such turnover rates may result in higher transaction costs and may result in additional taxes for shareholders. See "Taxes."

The Portfolio's investment adviser is SunBank Capital Management, N.A.

CAPITAL GROWTH PORTFOLIO

The investment objective of the Capital Growth Portfolio is capital appreciation. As a secondary investment objective, the Portfolio will also seek to realize current income. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio invests at least 65% of its total assets in a diversified portfolio of common stocks of small companies and securities that are convertible into common stocks that are deemed by the adviser to offer favorable prospects for growth in market value. These companies will generally have a capitalization of no higher than $1.5 billion.

Convertible bonds and convertible preferred stock are securities that have characteristics similar to both fixed income and equity securities. Because of the conversion feature, the market value of convertible securities tends to move together with the market value of the underlying common stocks. As a result, the selection of a convertible security is based to a greater extent on the potential for capital appreciation which may exist in the underlying common stocks. The Portfolio will invest in convertible securities that are rated at least CCC by S&P or Caa by Moody's or, if unrated, are of comparable quality as determined by the adviser. However, the Portfolio may invest only up to 5% of its net assets in convertible securities that are rated, at time of purchase, below BBB by S&P or Baa by Moody's or, if unrated, are of comparable quality as determined by the adviser. Such securities are considered by S&P and Moody's to be of poor standing and they may be in default or present elements of danger to the repayment of principal and interest. Securities rated BBB may have speculative characteristics and changes in economic conditions or other circumstances are more likely to lead to a weakened capacity to make principal and interest payments than is the case with higher grade bonds.

Under normal circumstances the Portfolio, to the extent not invested in the securities described above, may invest for income purposes in bonds rated, at time of purchase, A or better by S&P or Moody's or, if unrated, deemed to be of equal quality by the adviser.

As a result of its investment strategies, the Portfolio's annual portfolio turnover rate is expected to be over 100%. A high turnover rate may result in higher transaction costs and may result in additional taxes for shareholders. See "Taxes."

The Portfolio's investment adviser is SunBank Capital Management, N.A.

REAL ESTATE SECURITIES PORTFOLIO

The investment objective of the Real Estate Securities Portfolio is to provide above average current income and long-term capital appreciation by investing primarily in equity securities of real estate companies. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio invests primarily in income producing equity securities of publicly traded companies principally engaged in the real estate industry. For purposes of the Portfolio's investment policies, a company is "principally engaged" in the real estate industry if (i) it derives at least 50% of its revenues or profits from the ownership, construction, management, financing or sale of residential, commercial or industrial real estate, or (ii) it has at least 50% of the fair market value of its assets invested in residential, commercial or industrial real estate.

Under normal circumstances, at least 65% of the Portfolio's total assets will be invested in income producing equity securities of real estate companies. Such equity securities are common stocks (including shares or units of beneficial interest of Real Estate Investment Trusts ("REITs")), rights or warrants to purchase common stocks, and preferred stock. The Portfolio seeks to invest in equity securities of companies that provide a dividend yield that exceeds the composite dividend yield of securities comprising the S&P 500 Index.

The majority of the Portfolio's total assets will be invested in securities of REITs. REITs pool investors' funds for investment primarily in income producing real estate or real estate related loans or interests. A REIT is not taxed on income distributed to its shareholders or unitholders if it complies with regulatory requirements relating to its organization, ownership, assets and income, and with a regulatory requirement that it distribute to its shareholders or unitholders at least 95% of its taxable income for each taxable year. Generally, REITs can be classified as Equity REITs, Mortgage REITs and Hybrid REITs. Equity REITs invest the majority of their assets directly in real property and derive their income primarily from interest payments. Hybrid REITs combine the characteristics of both Equity and Mortgage REITs. The Portfolio will invest primarily in Equity and Hybrid REITs.

Under normal circumstances the Portfolio may invest up to 35% of its total assets in debt securities issued or guaranteed by real estate companies or secured by real estate assets and rated, at time of purchase, in one of the four highest rating categories by a nationally recognized statistical rating organization ("NRSRO") or determined by the adviser to be of comparable quality at the time of purchase, high quality money market instruments such as notes, certificates of deposit or bankers' acceptances issued by domestic or foreign issuers, or high-grade debt securities, consisting of corporate debt securities and United States Government securities. Securities rated in the lowest category of investment grade securities have speculative characteristics. Investment grade securities are securities that are rated in one of the four highest rating categories by an NRSRO.

The Portfolio's investment adviser is E.I.I. Realty Securities, Inc.

GENERAL INVESTMENT POLICIES

Borrowing	The Large Cap Value, Large Cap Growth, Small Cap Value, Capital Appreciation, Equity Income, Balanced and Capital Growth Portfolios may borrow money. Interest paid on such borrowings will reduce a Portfolio's income. A Portfolio will not purchase securities while its borrowings exceed 5% of its total assets.
Common Stocks	The Large Cap Value, Large Cap Growth, Small Cap Value, Small Cap Growth, Capital Appreciation, Equity Income and Capital Growth Portfolios will invest in common stocks; provided however, that the Large Cap Value, Small Cap Growth, Capital Appreciation, Equity Income and Capital Growth Portfolios may only invest in such securities if they are listed on registered exchanges or actively traded in the over-the-counter market.
Investment Company Securities	The Large Cap Growth and Small Cap Value Portfolios may purchase investment company securities, which will result in the layering of expenses. There are legal limits on the amount of such securities that may be acquired by a Portfolio.
Money Market Instruments	In order to meet liquidity needs, the Large Cap Value, Large Cap Growth, Small Cap Value, Capital Appreciation, Equity Income and Capital Growth Portfolios may hold cash reserves and invest in money market instruments (including securities issued or guaranteed by the United States Government, its agencies or instrumentalities, repurchase agreements, certificates of deposit and bankers' acceptances issued by banks or savings and loan associations having net assets of at least $500 million as of the end of their most recent fiscal year and high-grade commercial paper) related at time of purchase in the top two categories by a national rating agency or determined to be of comparable quality by the adviser at the time of purchase.
Options and Futures	The Large Cap Growth and Small Cap Value Portfolios may purchase or write options, futures and options on futures. Risk associated with investing in options and futures may include lack of a liquid secondary market, trading restrictions which may be imposed by an exchange and government regulations which may restrict trading.
Securities Lending	Each Portfolio may lend assets to qualified investors for the purpose of realizing additional income; however, the Large Cap Value, Small Cap Growth, Mid-Cap Growth, Capital Appreciation, Equity Income, Balanced, Capital Growth and Real Estate Securities Portfolios each may only lend up to 20% of its total assets for such purpose.
Temporary Defensive Investments	For temporary defensive purposes when the adviser determines that market conditions warrant, each of the Large Cap Value, Capital Appreciation, Equity Income, Balanced, Capital Growth and Real Estate Securities Portfolios may invest up to 100% of its assets in the money market instruments described above and other long and short-term debt instruments which are rated A or higher by S&P or Moody's at the time of purchase, and may hold a portion of its assets in cash. To the extent any Portfolio is engaged in temporary defensive investments, the Portfolio will not be pursuing

its investment objective.

U.S. Dollar Denominated Securities of Foreign Issuers	The Large Cap Value, Large Cap Growth, Small Cap Value, Capital Appreciation, Equity Income and Capital Growth Portfolios may invest in U.S. dollar denominated securities of foreign issuers (including American Depositary Receipts, that are traded on registered exchanges or listed on NASDAQ).
U.S. Treasury Receipts	The Large Cap Value, Capital Appreciation, Equity Income, Capital Growth Portfolios may invest in receipts involving U.S. Treasury Obligations.
When-Issued and Delayed-Delivery Securities	All Portfolios may invest in when-issued and delayed delivery securities.

For additional information regarding the Portfolios' permitted investments, see "Description of Permitted Investments and Risk Factors" in this Prospectus and "Description of Permitted Investments" in the Statement of Additional Information. For a description of the above ratings, see "Description of Ratings" in the Statement of Additional Information.

INVESTMENT LIMITATIONS

The investment objective and investment limitations are fundamental policies of the Portfolios. Fundamental policies cannot be changed with respect to the Trust or a Portfolio without the consent of the holders of a majority of the Trust's or that Portfolio's outstanding shares.

No Portfolio may:

1. Purchase securities of any issuer (except securities issued or guaranteed by the United States Government, its agencies or instrumentalities) if, as a result, more than 5% of total assets of the Portfolio would be invested in the securities of such issuer. This restriction applies to 75% of each Portfolio's total assets. This restriction does not apply to the Real Estate Securities Portfolio.
2. Purchase any securities which would cause more than 25% of the total assets of the Portfolio to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in obligations issued or guaranteed by the United States Government or its agencies and instrumentalities; and provided further that with respect to the Real Estate Securities Portfolio, that this limitation does not apply to investments in securities of companies principally engaged in the real estate industry.

The foregoing percentage limitations will apply at the time of the purchase of a security. Additional investment limitations are set forth in the Statement of Additional Information.

THE MANAGER AND SHAREHOLDER SERVICING AGENT

SEI Financial Management Corporation ("SFM"), provides the Trust with overall management services, regulatory reporting, all necessary office space, equipment, personnel and facilities, and acts as transfer agent, dividend disbursing agent and shareholder servicing agent.

For its management services, SFM is entitled to a fee which is calculated daily and paid monthly at an annual rate of .50% of the average daily net assets of the Small Cap

Growth, Capital Appreciation, Equity Income, Balanced, Mid-Cap Growth and Capital Growth Portfolios, at an annual rate of .35% of the average daily net assets of the Large Cap Value, Large Cap Growth and Small Cap Value Portfolios and at an annual rate of .55% of the average daily net assets of the Real Estate Securities Portfolio. SFM and the advisers may waive all or a portion of their fee in order to limit the operating expenses of a Portfolio. Any such waiver is voluntary and may be terminated at any time in their sole discretion.

For the fiscal year ended September 30, 1994, the Portfolios paid SFM the following management fees (based on each Portfolio's average daily net assets after fee waivers): Large Cap Value Portfolio, .50%; Small Cap Growth Portfolio, .40%; Capital Appreciation Portfolio, .45%; Equity Income Portfolio, .46%; Balanced Portfolio, .34%; Mid-Cap Growth Portfolio, .37%; and Capital Growth Portfolio, .00%. The Large Cap Growth, Small Cap Value and Real Estate Securities Portfolios had not commenced operations as of September 30, 1994.

THE ADVISERS AND SUB-ADVISERS

The following entities serve as investment advisers (each, an "Adviser," and collectively, the "Advisers") and investment sub-advisers (each, a "Sub-Adviser," and collectively, the "Sub-Advisers") to the Trust's Portfolios. Each Adviser has general oversight responsibility for the investment advisory services provided to the Portfolios, including formulating the Portfolios' investment policies and analyzing economic trends affecting the Portfolios. In addition, SFM, where it is the Adviser to a Portfolio, is responsible for managing the allocation of assets among the Portfolio's Sub-Advisers and directing and evaluating the investment services provided by the Sub-Advisers, including their adherence to each Portfolio's respective investment objective and policies and each Portfolio's investment performance. In accordance with each Portfolio's investment objective and policies, and under the supervision of the Adviser and the Trust's Board of Trustees, each Sub-Adviser and certain Advisers are responsible for the day-to-day investment management of all or a discrete portion of the assets of a Portfolio. The Advisers and Sub-Advisers are authorized

to make investment decisions for the Portfolios and place orders on behalf of the Portfolios to effect the investment decisions made.

The Glass-Steagall Act restricts the securities activities of banks such as the Bank of California, Sun Trust Banks, Inc. and Mellon Bank Corporation, but federal regulatory authorities permit such banks to provide investment advisory and other services to mutual funds. Should this position be challenged successfully in court or reversed by legislation, the Trust might have to make other investment advisory arrangements.

In addition, SFM monitors the compliance of each adviser with regulatory and tax regulations, such as portfolio concentration and diversification. For the most part compliance with these requirements by each adviser with respect to its portion of a Portfolio will assure compliance by the Portfolio as a whole. In addition, SFM monitors positions taken by each adviser and will notify advisers of any developing situations to help ensure that investments do not run afoul of the short-short test or the wash sale rules. To the extent that having multiple advisers responsible for investing separate portions of a Portfolio's assets creates the need for coordination among the advisers, there is an increased risk that the Portfolio will not comply with these regulatory and tax requirements.

It is possible that different advisers for the same Portfolio could take opposite actions within a short period of time with respect to a particular security. For example, one adviser could buy a security for the Portfolio and shortly thereafter another adviser could sell the same security from the portion of the Portfolio allocated to it. If in these circumstances the securities could be transferred from one adviser's portion of the Portfolio to another, the Portfolio could avoid transaction costs and could avoid creating possible wash sales and short-short gains under the Internal Revenue Code of 1986, as amended (the "Code"). Such transfers are not practicable but the advisers and SFM do not believe that there will be material adverse effects on a Portfolio as a result. First, it does not appear likely that there will be substantial overlap in the securities acquired for a Portfolio by the various advisers. Moreover, the advisers would probably only rarely engage in the types of offsetting transactions described above, especially within a short time period. Therefore, it is a matter of speculation whether offsetting transactions would result in any significant increases in transaction costs or have significant tax consequences. With respect to the latter, SFM and the advisers have established procedures with respect to the short-short test which are designed to prevent realization of short-short gains in excess of Code limits. It is true that wash sales could occur in spite of the efforts of SFM, but the Board of Trustees believes that the benefits of using multi-managers outweighs the consequences of any wash sales.

SFM is currently seeking an exemptive order from the Securities and Exchange Commission (the "SEC") that would permit SFM, with the approval of the Trust's Board of Trustees, to retain sub-advisers for a Portfolio without submitting the sub-advisory agreement to a vote of the Portfolio's shareholders. If granted, the exemptive relief will

permit the non-disclosure of amounts payable by SFM under such sub-advisory agreements. The Trust will notify shareholders in the event of any change in the identity of the sub-adviser for a Portfolio. Until or unless this exemptive order is granted, if one of the advisers is terminated or departs from a Portfolio with multiple advisers, the Portfolio will handle such termination or departure in one of two ways. First, the Portfolio may propose that a new investment adviser be appointed to manage that portion of the Portfolio's assets managed by the departing adviser. In this case, the Portfolio would be required to submit to the vote of the Portfolio's shareholders the approval of a investment advisory contract with the new adviser. In the alternative, the Portfolio may decide to allocate the departing adviser's assets among the remaining advisers. This allocation would not require new investment advisory contracts with the remaining advisers, and consequently no shareholder approval would be necessary.

1838 INVESTMENT ADVISORS, L.P.

1838 Investment Advisors, L.P. ("1838") serves as investment sub-adviser to the Small Cap Value Portfolio. 1838 is a Delaware limited partnership located at 100 Matsonford Road, Radnor, Pennsylvania. As of September 30, 1994, 1838 managed $3.5 billion in assets in large and small capitalization equity, fixed income and balanced account portfolios. Clients include corporate employee benefit plans, municipalities, endowments, foundations, jointly trusteed plans, insurance companies and wealthy individuals.

Edwin B. Powell, Holly L. Guthrie and Joseph T. Doyle, have served as the portfolio managers to the Small Cap Value

Portfolio since its inception. These individuals work as a team and share responsibility. Mr. Doyle has been with 1838 since 1988. Mr. Powell and Ms. Guthrie joined 1838 in 1994. Mr. Powell managed small cap equity portfolios for Provident Capital Management from 1987 to 1994. Ms. Guthrie managed small cap equity portfolios for Provident Capital Management from 1992 to 1994. Prior to that she was employed by CoreStates Investment Advisers from 1987 to 1992 as an equity analyst and portfolio manager.

1838 is entitled to a fee, which is calculated daily and paid monthly by SFM at an annual rate of .50%. 1838 may waive all or a portion of its fee in order to limit the operating expenses of the Portfolio. 1838 reserves the right, in its sole discretion, to terminate any such voluntary fee waiver at any time. During the last fiscal year, the Small Cap Value Portfolio had not commenced operations and therefore 1838 did not receive an advisory fee.

ALLIANCE CAPITAL MANAGEMENT L.P.

Alliance Capital Management L.P. ("Alliance Capital") serves as investment sub-adviser to a portion of the assets of the Large Cap Growth Portfolio. Alliance is a registered investment adviser organized as a Delaware limited partnership which originated as Alliance Capital Management Corporation in 1971. Alliance Capital Management Corporation, an indirect wholly-owned subsidiary of The Equitable Life Assurance Society of the United States, is the general partner of Alliance. As of September 30, 1994, Alliance managed over $123

billion in assets. The principal business address of Alliance is 1345 Avenue of the Americas, New York, New York 10105.

John L. Blundin, Senior Vice President of Alliance and Christopher Toub, Vice President of Alliance, each serve as portfolio managers to the Large Cap Growth Portfolio. Mr. Blundin joined Alliance in 1972. Mr. Toub joined Alliance in 1992 as a portfolio manager with the Disciplined Growth Group. Prior to 1992, Mr. Toub was with Marcus, Schloss, a private investment partnership, as an analyst and portfolio manager. Prior to Marcus, Schloss, Mr. Toub worked at Bear Stearns in proprietary trading. Both Mr. Blundin and Mr. Toub have served as portfolio managers of the Large Cap Growth Portfolio since its inception.

Alliance is entitled to the greater of $125,000 or a fee which is paid monthly by SFM at an annual rate of .25% of the market value of investments of that portion of the Large Cap Growth Portfolio which Alliance manages. Alliance may waive all or a portion of its fee in order to limit the operating expenses of the Portfolio. Alliance reserves the right, in its sole discretion, to terminate any such voluntary fee waiver at any time. During the last fiscal year, the Large Cap Growth Portfolio had not commenced operations and therefore Alliance did not receive an advisory fee.

E.I.I. REALTY SECURITIES, INC.

E.I.I. Realty Securities Inc. ("E.I.I.") serves as investment adviser of the Real Estate Securities Portfolio. E.I.I. is a professional investment adviser which is registered under the Investment Advisers Act of 1940, as amended (the "1940 Act") and which, with its affiliates, has been providing services to employee benefit plans, corporations and high net worth individuals, both foreign and domestic, since April 1983. As of September 30, 1994, E.I.I. and/or its affiliates had investment management authority with respect to approximately $400 million of assets. The principal business address of E.I.I. is 667 Madison Avenue, 16th floor, New York, New York, 10021.

E.I.I. is a wholly owned subsidiary of European Investors Incorporated.

Richard J. Adler, Vice President of European Investors Incorporated and Cydney C. Donnell, Vice President of E.I.I., have served as portfolio managers for the Portfolio. For the past five years, they have been the portfolio managers and/or real estate securities analysts for European Investors Incorporated and E.I.I. respectively.

E.I.I. is entitled to a fee which is calculated daily and paid monthly by the Portfolio, at an annual rate of .40% of the average daily net assets of the Portfolio. The Portfolio had not commenced operations as of the fiscal year ended September 30, 1994.

IDS ADVISORY GROUP INC.

IDS Advisory Group Inc. ("IDS") serves as investment sub-adviser to a portion of the assets of the Large Cap Growth Portfolio. IDS is a registered investment adviser and wholly-owned subsidiary of IDS Financial Corporation. Effective January 1, 1995, IDS Financial Corporation will be changing its name to American Express Financial Corporation. As of September 30, 1994, IDS managed over $20.5 billion in assets with $5 billion of this total

in large capitalization growth domestic equities. IDS was founded in 1972 to manage tax-exempt assets for institutional clients. The principal business address of IDS is IDS Tower 10, Minneapolis, MN 55440.

The day-to-day management of IDS' portion of the Large Cap Growth Portfolio's investments is the responsibility of a committee composed of the eight investment portfolio managers of the equity investment team. No individual person is primarily responsible for making recommendations to that committee. IDS has served as sub-adviser to the Large Cap Growth Portfolio since its inception.

IDS is entitled to the greater of $125,000 or a fee which is paid monthly by SFM at an annual rate of .25% of the market value of investments of that portion of the Large Cap Growth Portfolio which IDS manages. IDS may waive all or a portion of its fee in order to limit the operating expenses of the Portfolio. IDS reserves the right, in its sole discretion, to terminate any such voluntary fee waiver at any time. During the last fiscal year, the Large Cap Growth Portfolio had not commenced operations and therefore IDS did not receive an advisory fee.

INVESTMENT ADVISERS, INC.

Investment Advisers, Inc. ("Investment Advisers") serves as investment adviser of the Small Cap Growth Portfolio, which is also advised by Nicholas-Applegate Capital Management and Pilgrim Baxter & Associates, Ltd. Investment Advisers has operated as a professional investment counseling firm which provides investment services to employee benefit plans, endowments, foundations, other institutions and investment companies since 1947. As of September 30, 1994, Investment Advisers had discretionary management authority with respect to approximately $13 billion of assets. The principal business address of Investment Advisers is 3700 First Bank Place, 601 Second Avenue, Minneapolis, Minnesota 55402. Investment Advisers is an indirect majority owned subsidiary of publicly held TSB Group, Plc, a United Kingdom financial services group.

Until July 1, 1993, Investment Advisers was the sole investment adviser and provided the review, supervision and management of the Portfolio's investment program and related reporting and recordkeeping services for all of the Portfolio's assets. As of July 1, 1993, Nicholas-Applegate Capital Management and Pilgrim Baxter & Associates, Ltd. began to serve as investment advisers for portions of the Portfolio's assets not advised by Investment Advisers. As more fully described below, the Board of Trustees allocates the Portfolio's assets among the three investment advisers from time to time. Performance for each investment adviser will be based upon the performance of the assets of the entire Portfolio.

The method of allocating the assets of the Portfolio from cash inflows and outflows resulting from shareholder purchases and redemptions among the three Advisers is as follows: For net shareholder purchases, the resulting cash inflow will be allocated among all three Advisers in proportion to the amount by which each Adviser's assets under management is below their allocated capacity. In the case of net shareholder redemptions, all three Advisers will contribute to net redemptions in proportion to their assets under

management as a percentage of total assets in the Portfolio. The Board of Trustees will retain, in its discretion, the authority to increase or decrease the assets assigned to each Adviser. SFM, as Manager for the Trust, will allocate the assets of the Portfolio among the three Advisers pursuant to the above formula and the direction of the Board of Trustees.

Rick D. Leggott, CFA, is a Senior Vice President and Equity Portfolio Manager of Investment Advisers. In 1986 he became Senior Investment Officer for Central Trust Company, N.A. Mr. Leggott joined the adviser as a growth stock specialist in 1987, and has been a Portfolio Manager of the Small-Cap Growth Portfolio since April 20, 1992.

Investment Advisers is entitled to a fee, which is calculated daily and paid monthly by the Portfolio, at an annual rate of .50% of the average daily net assets assigned to it. For the fiscal year ended September 30, 1994, the Portfolio paid each of the Portfolio's advisers an advisory fee of .50% of the average daily net assets under such adviser's investment management. Of this .50% advisory fee, .18% of the Portfolio's total average daily net assets was paid to Investment Advisers.

LSV ASSET MANAGEMENT

LSV Asset Management ("LSV") serves as investment sub-adviser to a portion of the assets of the Large Cap Value Portfolio. LSV is a registered investment adviser organized as a Delaware general partnership in which an affiliate of SFM owns a majority interest. The general partners of LSV have developed quantitative value analysis methodology and software which has been used to manage assets over the past 5 years. Although LSV has never managed investment companies, the portfolio identified by the model has been implemented by three institutional clients with aggregate assets invested of approximately $455 million including $15 million in a portfolio of U.S. securities. The principal business address of LSV is 181 W. Madison Avenue, Chicago, IL 60602.

Investment decisions are made by the quantitative computer model. Josef Lakonishok, Andrei Shleifer and Robert Vishny, officers of LSV, will on a continuous basis monitor the quantitative analysis model and based on their ongoing research and statistical analysis make adjustments to the model. Securities are identified for purchase or sale by the portfolio based upon the computer model and defined variance tolerances. Purchases and sales are effected by LSV based upon the output from the model.

LSV, is entitled to a fee, which is paid monthly by SFM, at an annual rate of .20% of the market value of investments under its management. During the fiscal year ended September 30, 1994, LSV did not serve as investment sub-adviser for the Portfolio and therefore did not receive an advisory fee.

MELLON EQUITY ASSOCIATES

As of December 16, 1994, Mellon Equity Associates ("Mellon") serves as investment sub-adviser to a portion of the assets of the Large Cap Value Portfolio. Between October 3, 1994 and December 16, 1994, Mellon acted as investment adviser of the Portfolio. Prior to October 3, 1994, the Portfolio was advised by Duff & Phelps Investment Management Company ("Duff & Phelps"). Mellon is a Pennsylvania business trust founded in 1987, whose sole beneficiary is MBC Investments Corporation, a wholly-owned subsidiary of the

Mellon Bank Corporation. Mellon is a professional investment counseling firm that provides investment management services to the equity and balanced pension, public fund and profit-sharing investment management markets, and is a registered investment adviser under the 1940 Act. Mellon had discretionary management authority with respect to approximately $6.2 billion of assets as of September 30, 1994. Mellon's predecessor organization had managed domestic equity tax-exempt institutional accounts since 1947. The business address for Mellon is 500 Grant Street, Suite 3700, Pittsburgh, PA 15258.

William P. Rydell and Robert A. Wilk are the Portfolio Managers for Mellon's portion of the assets of the Large Cap Value Portfolio. Mr. Rydell is the President and Chief Executive Officer of Mellon, and has been managing individual and collectivized portfolios at Mellon since 1982. Mr. Wilk is a Senior Vice President and Portfolio Manager of Mellon, and has been involved with securities analysis, quantitative research, asset allocation, trading and client services at Mellon since April 1990. Prior to joining Mellon, Mr. Wilk was in charge of portfolio management and conducted quantitative research for another investment subsidiary of Mellon Bank Corporation, Triangle Portfolio Associates.

Mellon is entitled to a fee, which is paid monthly by SFM, at an annual rate of .20% of the market value of investments under its management. During the fiscal year ended September 30, 1994, Mellon did not serve as investment adviser or sub-adviser for the Portfolio and therefore did not receive an advisory fee.

MERUS CAPITAL MANAGEMENT

Merus Capital Management ("Merus") serves as investment adviser for the Equity Income Portfolio. In addition, as of December 16, 1994, Merus also serves as the investment sub-adviser to a portion of the assets of the Large Cap Value Portfolio. Merus is a division of the Bank of California and provides equity and fixed-income management services to a broad array of corporate and municipal clients. As of September 30, 1994, Merus had discretionary management authority with respect to approximately $6.2 billion of assets. The principal business address of Merus is 475 Sansome Street, San Francisco, California 94111.

Each Portfolio is managed by a committee.

Merus is entitled to a fee, which is calculated daily and paid monthly by the Equity Income Portfolio, at an annual rate of .25% of the average daily net assets of the Portfolio. Merus may reduce its fee, in its discretion, for competitive purposes. In addition, Merus has voluntarily agreed to waive fees in an amount that operates to limit net operating expenses. Merus reserves the right, in its sole discretion, to terminate this voluntary fee waived at any time. For the fiscal year ended September 30, 1994, the Portfolio paid Merus an advisory fee of .23% of its average daily net assets after fee waivers.

Merus is entitled to a fee, which is paid monthly by SFM, at an annual rate of .20% of the market value of investments of the Large Cap Value Portfolio under its management. During the fiscal year ended September 30, 1994, Merus did not serve as investment sub-adviser for the Portfolio and therefore did not receive an advisory fee.

NICHOLAS-APPLEGATE CAPITAL MANAGEMENT

Nicholas-Applegate Capital Management ("Nicholas-Applegate") is one of three advisers to the Small Cap Growth Portfolio and is responsible for a portion of the assets of the Portfolio. Nicholas-Applegate also serves as the Mid-Cap Growth Portfolio's investment adviser.

Nicholas-Applegate has operated as an investment adviser which provides investment services to employee benefit plans, endowments, foundations, other institutions and investment companies since April 20, 1987. As of September 30, 1994, Nicholas-Applegate had discretionary management authority with respect to approximately $13 billion of assets. The principal business address of Nicholas-Applegate is 600 West Broadway, 29th Floor, San Diego, CA 92101. Nicholas-Applegate, pursuant to a partnership agreement, is controlled by its general partner Nicholas-Applegate Capital Management, Inc., a corporation owned by Arthur E. Nicholas.

Nicholas-Applegate manages its portion of the Small Cap Growth Portfolio through its systematic-driven management team under the supervision of Mr. Nicholas, founder and Chief Investment Officer of the firm. Nicholas-Applegate's systems driven investment team, headed by Lawrence S. Speidell, has been primarily responsible for the day-to-day management of the Portfolio since March 1994. Mr. Speidell has been a Portfolio Manager and investment team leader with Nicholas-Applegate since March 1994. Prior to joining Nicholas-Applegate, he was an institutional portfolio manager with Batterymarch Financial Management.

Nicholas-Applegate is entitled to a fee which is calculated daily and paid monthly by the Small Cap Growth Portfolio, at an annual rate of .50% of the average daily net assets assigned to it. For the fiscal year ended September 30, 1994, the Portfolio paid each of the Portfolio's advisers an advisory fee of .50% of the daily net assets under such Adviser's investment management. Of this .50% advisory fee, .16% of the Portfolio's total average daily net assets was paid to Nicholas-Applegate.

John C. Marshall, Jr. has been the Portfolio manager for the Mid-Cap Growth Portfolio since February, 1993. Mr. Marshall joined Nicholas-Applegate in March 1989 and is a Partner and Portfolio Manager and lead manager in the Mid-Cap area. Prior to joining Nicholas-Applegate, Mr. Marshall was a Managing Director of Equity Investment at Pacific Century Advisers from May 1986 until March 1989.

Nicholas-Applegate is entitled to a fee which is calculated daily and paid monthly by the Mid-Cap Growth Portfolio at an annual rate of .45% of the average daily net assets of the Portfolio up to the first $100 million in assets and .40% on assets in excess of $100 million. For the fiscal year ended September 30, 1994, the Mid-Cap Growth Portfolio paid Nicholas Applegate an advisory fee of .45% of its average daily net assets.

PILGRIM BAXTER & ASSOCIATES, LTD.

Pilgrim Baxter & Associates, Ltd. ("Pilgrim Baxter") is one of three advisers to the Small Cap Growth Portfolio and is responsible for a portion of assets of the Portfolio.

Pilgrim Baxter has operated as a professional investment counseling firm which provides investment services to pension and profit-sharing plans, other institutions and

investment companies since November, 1982. As of September 30, 1994, Pilgrim Baxter had discretionary management authority with respect to approximately $106 billion of assets. The principal business address of Pilgrim Baxter is 1255 Drummers Lane, Suite 300, Wayne, Pennsylvania 19087. Pilgrim Baxter is an "S" Corporation with majority ownership by Gary L. Pilgrim (42.35%) and Harold J. Baxter (42.35%). Pilgrim Baxter has entered into certain agreements with Framlington (USA), Inc., the U.S. affiliate of a British financial services firm, Framlington Group plc ("Framlington"), for sharing the profits of Pilgrim Baxter's advisory contract income (not including income from Pilgrim Baxter's advisory agreement with the Fund and sub-advisory fees from other mutual funds).

John F. Force, CFA, joined Pilgrim Baxter in January 1993 and is a portfolio Manager/Analyst. Mr. Force has been managing the Small Cap Growth Portfolio since July 1, 1993 when Pilgrim Baxter became an adviser. Prior to joining Pilgrim Baxter, Mr. Force was Vice President/Portfolio Manager at Fiduciary Management Associates from July 1987 to September 1992.

Pilgrim Baxter is entitled to a fee which is calculated daily and paid monthly by the Portfolio, at an annual rate of .50% of the average daily net assets assigned to it. For the fiscal year ended September 30, 1994, the Portfolio paid each of the Portfolio's advisers an advisory fee of .50% of the daily net assets under such Adviser's investment management. Of this .50% advisory fee, .16% of the Portfolio's total average daily net assets was paid to Pilgrim Baxter.

SEI FINANCIAL MANAGEMENT CORPORATION

SEI Financial Management Corporation ("SFM") serves as investment adviser for the Large Cap Value, Large Cap Growth and Small Cap Value Portfolios. SFM is a wholly-owned subsidiary of SEI Corporation ("SEI"), a financial services company located in Wayne, Pennsylvania. The principal business address of SFM is 680 East Swedesford Road, Wayne, Pennsylvania 19087-1658. SEI was founded in 1968 and is a leading provider of investment solutions to banks, institutional investors, investment advisers, and insurance companies. Affiliates of SFM have provided consulting advice to institutional investors for more than 20 years, including advice regarding selection and evaluation of investment advisers. Although SFM has not previously been the investment adviser to an investment company, it currently serves as manager or administrator to more than 26 investment companies, including more than 220 portfolios, which investment companies have more than $42 billion in assets as of September 30, 1994.

For these advisory services, SFM is entitled to a fee, which is calculated daily and paid monthly, at an annual rate of .35% of the Large Cap Value Portfolio's average daily net assets, at an annual rate of .40% of the Large Cap Growth Portfolio's average daily net assets and at an annual rate of .65% of the Small Cap Value Portfolio's average daily net assets. During the fiscal year ended September 30, 1994, SFM did not act as investment adviser for the Large Cap Value Portfolio and therefore did not receive an

advisory fee. The Large Cap Growth and Small Cap Value Portfolios had not commenced operations as of the fiscal year ended September 30, 1994.

SUNBANK CAPITAL MANAGEMENT, N.A.

SunBank Capital Management, N.A. ("SunBank") serves as investment adviser for the Capital Appreciation, Balanced and Capital Growth Portfolios. SunBank was established in 1934 and is owned by SunBank, Inc., a wholly-owned subsidiary of Sun Trust Banks, Inc., a bank holding company. As of September 30, 1994, SunBank had discretionary management authority with respect to approximately $11.75

billion of assets. The principal business address of SunBank is P.O. Box 3808, Orlando, Florida 32802,

Anthony R. Gray is Chairman and Chief Investment Officer of SunBank since 1987, and has managed the Capital Appreciation and Balanced Portfolios since their inception. Mr. Gray joined SunBank in 1979 as Director of Research of the Trust Investment Division.

John D. Race is President of SunBank and has managed the Balanced Portfolio since its inception.

Thomas Edgar is Senior Vice President of SunBank since 1990, and has managed the Capital Growth Portfolio since its inception. Prior to joining SunBank, Mr. Edgar served as Senior Vice President of First Union Bank from 1988 to 1990.

SunBank is entitled to a fee, which is calculated daily and paid monthly, at an annual rate of .25% of the Capital Appreciation and Balanced Portfolios' average daily net assets. For the fiscal year ended September 30, 1994, each Portfolio paid SunBank an advisory fee of .25% of its average daily net assets. SunBank is not paid a fee for providing advisory services to the Capital Growth Portfolio.

DISTRIBUTION

SEI Financial Services Company (the "Distributor"), a wholly-owned subsidiary of SEI, serves as each Portfolio's distributor pursuant to a distribution agreement (the "Distribution Agreement") with the Trust. Each Portfolio has a distribution plan for its shares (the "Class A Plan," "Class B Plan" and/or the "ProVantage Plan;" collectively, the "Plans") pursuant to Rule 12b-1 under 1940 Act. The Trust intends to operate the Plans in accordance with their terms and with the NASD rules concerning sales charges.

The Distribution Agreement and the Plans provide for reimbursement for expenses incurred by the Distributor in an amount not to exceed .30% of the average daily net assets of each Portfolio on an annualized basis, provided those expenses are permissible as to both type and amount under a budget adopted by the Board of Trustees, including those Trustees who are not interested persons and have no financial interest in the Plans or any related agreement ("Qualified Trustees"). The Class B and ProVantage Plans also provide for additional payments for distribution and shareholder services as described below.

Distribution-related expenses reimbursable to the Distributor under the budget include those related to the costs of advertising and sales materials, the costs of federal and state securities law registration, advertising expenses and promotional and sales expenses including expenses for travel, communication and compensation and benefits for sales personnel. The Trust is not obligated to reimburse the Distributor for any expenditures in excess of the approved budget. Currently the budget (shown here as a percentage of daily net assets) for each Portfolio is as follows: Large Cap Value Portfolio, 0.05%; Large Cap Growth Portfolio, 0.07%; Small Cap Value Portfolio, 0.07%, Small Cap Growth Portfolio, 0.06%; Mid-Cap Growth Portfolio, 0.08%; Capital Appreciation Portfolio, 0.05%; Equity Income Portfolio, 0.06%; Balanced Portfolio, 0.11%; and Real Estate Securities Portfolio, 0.06%. SFM has voluntarily agreed to waive its fee and to reimburse the Capital Growth Portfolio for its expenses in order to limit the operating expenses of the Portfolio to not more than 0.00% on an annualized basis. Distribution expenses not attributable to a specific portfolio are allocated among each of the portfolios of the Trust based on average net assets.

The Class B Plan, in addition to providing for the reimbursement payments described above, provides for payments to the Distributor at an annual rate of .30% of the

Portfolio's average daily net assets attributable to Class B shares. These additional payments are characterized as "compensation," and are not directly tied to expenses incurred by the Distributor; the payments the Distributor receives during any year may therefore be higher or lower than its actual expenses. This additional payment may be used to compensate financial institutions that provide distribution-related services to their customers.

The ProVantage Plan is similar to the Class B Plan described above, but applies only to ProVantage Funds shareholders.

It is possible that an institution may offer different classes of shares to its customers and thus receive different compensation with respect to different classes. These financial institutions may also charge separate fees to their customers.

The Trust may also execute brokerage or other agency transactions through the Distributor for which the Distributor may receive usual and customary compensation.

In addition, the Distributor may, from time to time in its sole discretion, institute one or more promotional incentive programs, which will be paid by the Distributor from the sales charge it receives or from any other source available to it. Under any such program, the Distributor will provide promotional incentives, in the form of cash or other compensation, including merchandise, airline vouchers, trips and vacation packages, to all dealers selling shares of the Portfolios. Such promotional incentives will be offered uniformly to all dealers and predicated upon the amount of shares of the Portfolios sold by the dealer.

PURCHASE AND REDEMPTION OF SHARES

Financial institutions may acquire Class A and/or Class B shares of the Portfolios for their own accounts or as record owner on behalf of fiduciary, agency or custody accounts by placing orders with SFM. Institutions that use certain SEI proprietary systems may place orders electronically through those systems. State securities laws may require banks and financial institutions purchasing shares for their customers to register as dealers pursuant to state laws. Financial institutions may impose an earlier cut-off time for receipt of purchase orders directed through them to allow for processing and transmittal of these orders to SFM for effectiveness the same day. Financial institutions that purchase shares for the accounts of their customers may impose separate charges on these customers for account services. Shares of the Portfolios are offered only to residents of states in which the shares are eligible for purchase.

Shares of each Portfolio may be purchased or redeemed on days on which the New York Stock Exchange is open for business ("Business Days").

Shareholders who desire to purchase shares for cash must place their orders with SFM prior to 4:00 p.m. Eastern time on any Business Day for the order to be accepted on that Business Day. Cash investments must be transmitted or delivered in federal funds to the wire agent on the next Business Day following the day the order is placed. The Trust reserves the right to reject a purchase order when the Distributor determines that it is not in the best interest of the Trust or its shareholders to accept such purchase order.

Purchases will be made in full and fractional shares of the Portfolios calculated to three decimal places. The Trust will send shareholders a statement of shares owned after each transaction. The purchase price of shares is the net asset value next determined after a purchase order is received and accepted by the Trust. The net asset value per share of each Portfolio is determined by dividing the total market value of a Portfolio's investment and other assets, less any liabilities, by the total outstanding shares of that Portfolio. Net asset value per share is determined daily as of 4:00 p.m. Eastern time on any Business Day.

The market value of each portfolio security is obtained by SFM from an independent pricing service. Securities having maturities of 60 days or less at the time of purchase will be valued using the amortized cost method (described in the Statement of Additional Information). The pricing service relies primarily on prices of actual market transactions as well as trader quotations. However, the pricing service may use a matrix system to determine valuations of equity and fixed income securities. This system considers such factors as security prices, yields, maturities, call features, ratings and developments relating to specific securities in arriving at valuations. The procedures used by the pricing service and its valuations are reviewed by the officers of the Trust under the general supervision of the Trustees.

Shareholders who desire to redeem shares of the Portfolios must place their redemption orders with SFM prior to 4:00 p.m. Eastern time on any Business Day. The

redemption price is the net asset value per share of the Portfolio next determined after receipt by SFM of the redemption order. Payment on redemption will be made as promptly as possible and, in any event, within seven days after the redemption order is received.

Purchase and redemption orders may be placed by telephone. Neither the Trust nor SFM will be responsible for any loss, liability, cost or expense for acting upon wire instructions or upon telephone instructions that it reasonably believes to be genuine. The Trust and SFM will each employ reasonable procedures to confirm that instructions communicated by telephone are genuine, including requiring a form of personal identification prior to acting upon instructions received by telephone and recording telephone instructions.

If market conditions are extraordinarily active, or other extraordinary circumstances exist, and shareholders experience difficulties placing redemption orders by telephone, shareholders may wish to consider placing their order by other means.

PERFORMANCE

From time to time, a Portfolio may advertise yield and total return. These figures will be based on historical earnings and are not intended to indicate future performance. No representation can be made concerning actual yield or future returns. The yield of a Portfolio refers to the income generated by a hypothetical investment, net of any sales charge imposed in the case of some of the ProVantage Funds shares, in such Portfolio over a thirty day period. This income is then "annualized," i.e., the income over thirty days is assumed to be generated over one year and is shown as a percentage of the investment.

The total return of a Portfolio refers to the average compounded rate of return on a hypothetical investment for designated time periods, assuming that the entire investment is redeemed at the end of each period and assuming the reinvestment of all dividend and capital gain distributions.

The performance of Class A shares will normally be higher than for Class B shares and ProVantage Fund shares because of the additional distribution expenses charged to Class B shares and additional distribution expenses, transfer agency expenses and sales charges (when applicable) charged to

ProVantage Funds shares.

A Portfolio may periodically compare its performance to that of other mutual funds tracked by mutual fund rating services (such as Lipper Analytical) or by financial and business publications and periodicals, broad groups of comparable mutual funds, unmanaged indices which may assume investment of dividends but generally do not reflect deductions for administrative and management costs or to other investment alternatives. A Portfolio may quote Morningstar, Inc., a service that ranks mutual funds on the basis of risk-adjusted performance. A Portfolio may use long-term performance of these capital markets to demonstrate general long-term risk versus reward scenarios and could include the value of a hypothetical investment in any of the capital markets. A Portfolio may also

quote financial and business publications and periodicals as they relate to fund management, investment philosophy and investment techniques.

A Portfolio may quote various measures of volatility and benchmark correlation in advertising and may compare these measures to those of other funds. Measures of volatility attempt to compare historical share price fluctuations or total returns to a benchmark while measures of benchmark correlation indicate how valid a comparative benchmark might be. Measures of volatility and correlation are calculated using averages of historical data and cannot be calculated precisely.

Additional performance information is set forth in the 1994 Annual Report to Shareholders and is available upon request and without charge by calling 1-800-342-5734.

TAXES

The following summary of federal income tax consequences is based on current tax laws and regulations, which may be changed by legislative, judicial or administrative action. No attempt has been made to present a detailed explanation of the federal, state or local income tax treatment of a Portfolio or its shareholders. Accordingly, shareholders are urged to consult their tax advisers regarding specific questions as to federal, state and local taxes. State and local tax consequences of an investment in a Portfolio may differ from the federal income tax consequences described below. Additional information concerning taxes is set forth in the Statement of Additional Information.

Tax Status of the Portfolios

A Portfolio is treated as a separate entity for federal income tax purposes and is not combined with the Trust's other portfolios. Each Portfolio intends to continue to qualify for the special tax treatment afforded regulated investment companies ("RICs") under Subchapter M of the Code, so as to be relieved of federal income tax on net investment company taxable income (including the excess, if any, of net short-term capital gains over net long-term capital losses) and net capital gains (the excess of net long-term capital gains over net short-term capital losses) distributed to shareholders.

Tax Status of Distributions

Each Portfolio distributes substantially all of its net investment company taxable income to shareholders. Dividends from a Portfolio's net investment company taxable income are taxable to its shareholders as ordinary income (whether received in cash or in additional shares), and generally will qualify for the dividends-received deduction for corporate shareholders to the extent that such dividends are derived from dividends paid on domestic and equity securities owned by the Portfolio. Distributions of net capital gains are taxable to shareholders as long-term capital gains, regardless of how long a shareholder has held shares. Each Portfolio will make annual reports to shareholders of the federal income tax status of all distributions.

Dividends declared by a Portfolio in October, November or December of any year and payable to shareholders of record on a date in such a month will be deemed to have been paid by the Portfolio and received by the shareholders on December 31 of the year declared if paid by a Portfolio at any time during the following January.

Each Portfolio intends to make sufficient distributions to avoid liability for the federal excise tax.

Sale, exchange or redemption of a Portfolio's shares generally is a taxable transaction to the shareholder.

GENERAL INFORMATION

The Trust The Trust was organized as a Massachusetts business trust under a Declaration of Trust dated October 20, 1986. The Declaration of Trust permits the Trust to offer separate series of shares and different classes of each portfolio. All consideration received by the Trust for shares of any class of any portfolio and all assets of such portfolio or class belong to that portfolio or class, respectively, and would be subject to the liabilities related thereto.

The Trust pays its expenses, including fees of its service providers, audit and legal expenses, expenses of preparing prospectuses, proxy solicitation materials and reports to shareholders, costs of custodial services and registering the shares under federal and state securities laws, pricing, insurance expenses, litigation and other extraordinary expenses, brokerage costs, interest charges, taxes and organization expenses.

Trustees of the Trust The management and affairs of the Trust are supervised by the Trustees under the laws of the Commonwealth of Massachusetts. The Trustees have approved contracts under which, as described above, certain companies provide essential management services to the Trust.

Voting Rights Each share held entitles the shareholder of record to one vote. The shareholders of each portfolio or class will vote separately on matters pertaining solely to that portfolio or class, such as any distribution plan. As a Massachusetts business trust, the Trust is not required to hold annual meetings of shareholders but approval will be sought for certain changes in the operation of the Trust and for the election of Trustees under certain circumstances. In addition, a Trustee may be removed by the remaining Trustees or by shareholders at a special meeting called upon written request of shareholders owning at least 10% of the outstanding shares of the Trust. In the event that such a meeting is requested, the Trust will provide appropriate assistance and information to the shareholders requesting the meeting.

Reporting The Trust issues unaudited financial information semi-annually and audited financial statements annually. The Trust furnishes proxy statements and other reports to shareholders of record.

Shareholder Inquiries Shareholder inquiries should be directed to the Manager, SEI Financial Management Corporation, 680 East Swedesford Road, Wayne, PA 19087.

Dividends Substantially all of the net investment income (exclusive of capital gains) of each Portfolio is periodically declared and paid as a dividend. Dividends currently are paid on a monthly basis for the Large Cap Value, Capital Appreciation, Equity Income, Balanced and Capital Growth Portfolios and currently are paid on a quarterly basis for the Large Cap Growth, Small Cap Value, Small Cap Growth, Mid-Cap Growth and Real Estate Securities Portfolios. Currently, net capital gains (the excess of net long-term capital gain over net short-term capital loss) realized, if any, will be distributed at least annually.

Shareholders automatically receive all income dividends and capital gain distributions in additional shares at the net asset value next determined following the record date, unless the shareholder has elected to take such payment in cash. Shareholders may change their election by providing written notice to SFM at least 15 days prior to the distribution.

Dividends and capital gains of each Portfolio are paid on a per-share basis. The value of each share will be reduced by the amount of any such payment. If shares are purchased shortly before the record date for a dividend or capital gains distributions, a shareholder will pay the full price for the share and receive some portion of the price back as a taxable dividend or distribution.

The dividends on ProVantage Funds shares or Class B shares of each Portfolio that offers these shares will normally be lower than those on Class A shares because of the additional distribution expenses charged to Class B shares and the additional distribution and transfer agent expenses charged to ProVantage Funds shares.

Counsel and Independent Accountants

Morgan, Lewis & Bockius serves as counsel to the Trust. Price Waterhouse LLP serves as the independent accountants of the Trust.

Custodian and Wire Agent

CoreStates Bank, N.A., Broad and Chestnut Streets, P.O. Box 7618, Philadelphia, PA 19101 (the "Custodian"), acts as custodian of the Trust's assets. The Custodian holds cash, securities and other assets of the Trust as required by the 1940 Act.

DESCRIPTION OF PERMITTED INVESTMENTS AND RISK FACTORS

The following is a description of the permitted investment practices for the Portfolios, and the associated risk factors:

American Depositary Receipts ("ADRs")

ADRs are securities, typically issued by a U.S. financial institution (a "depositary"), that evidence ownership interests in a security or a pool of securities issued by a foreign issuer and deposited with the depositary. ADRs may be available through "sponsored" or "unsponsored" facilities. A sponsored facility is established jointly by the issuer of the security underlying the receipt and a depositary, whereas an unsponsored facility may be established by a depositary without participation by the issuer of the underlying security.

Holders of unsponsored depositary receipts generally bear all the costs of the unsponsored facility. The depositary of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the issuer of the deposited security or to pass through, to the holders of the receipts, voting rights with respect to the deposited securities. ADRs that are not listed or traded on an exchange can

be purchased over the counter. Prices for such ADRs are determined by market makers. The Large Cap Growth and Small Cap Value Portfolios may invest in ADRs.

Bankers' Acceptances

Bankers' acceptances are bills of exchange or time drafts drawn on and accepted by a commercial bank. Bankers' acceptances are sued by corporations to finance the shipment and storage of goods. Maturities are generally six months or less. All Portfolios may invest in bankers' acceptances.

Certificates of Deposit

Certificates of deposit are interest bearing instruments with a specific maturity. They are issued by banks and savings and loan institutions in exchange for the deposit of funds and normally can be traded in the secondary market prior to maturity. Certificates of deposit with penalties for early withdrawal will be considered illiquid. All Portfolios may invest in certificates of deposit.

Commercial Paper — Commercial paper is a term used to described unsecured short-term promissory notes issued by banks, municipalities, corporations and other entities. Maturities on these issues vary from a few to 270 days. All Portfolios may invest in commercial paper.

Convertible Securities — Convertible securities are corporate securities that are exchangeable for a set number of another security at a prestated price. Convertible securities typically have characteristics similar to both fixed-income and equity securities. Because of the conversion feature, the market value of a convertible security tends to move with the market value of the underlying stock. The value of a convertible security is also affected by prevailing interest rates, the credit quality of the issuer, and any call provisions. All Portfolios except the Balanced Portfolio may invest in convertible securities.

Derivatives — Derivatives are securities that derive their value from other securities. The following are considered derivative securities: options on futures, futures, options (i.e., puts and calls) swap agreements, mortgage-backed securities (CMOs, REMICs, IOs and POs), when-issued securities and forward commitments, floating and variable rate securities, convertible securities, "stripped" U.S. Treasury securities (e.g., Receipts and STRIPs), privately issued stripped securities (e.g., TGRs, TRs and CATS). See elsewhere in this "Description of Permitted Investments and Risk Factors" for discussions of these various instruments, and see "Investment Objectives and Policies" for more information about any investment policies and limitations applicable to their use.

Equity Securities — Equity securities represent ownership interests in a company or corporation and include common stock, preferred stock, and warrants and other rights to acquire such instruments. Investments in common stocks are subject to market risks which may cause their prices to fluctuate over time. The value of convertible securities is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. Changes in the value of portfolio securities will not necessarily affect cash income derived from these securities but will affect a Portfolio's net asset value.

Investments in small capitalization companies involves greater risk than is customarily associated with larger, more established companies due to the greater business

risks of small size, limited markets and financial resources, narrow product lines and the frequent lack of depth of management. The securities of small companies are often traded over-the-counter and may not be traded in volumes typical on a national securities exchange. Consequently, the securities of smaller companies may have limited market stability and may be subject to more abrupt or erratic market movements than securities of larger, more established growth companies or the market averages in general. All Portfolios may invest in equity securities.

Fixed Income Securities — Fixed income securities are debt obligations issued by corporations, municipalities and other borrowers. The market value of fixed income investments will generally change in response to interest rate changes and other factors. During periods of falling interest rates, the values of outstanding fixed income securities generally rise. Conversely, during periods of rising interest rates, the values of such securities generally decline. Moreover, while securities with longer maturities tend to produce higher yields, the prices of longer maturity securities are also subject to greater market fluctuations as a result of changes in interest rates. Changes by recognized agencies in the rating of any fixed income security and in the ability of an issuer to make payments of interest and principal will also affect the value of these investments. Changes in the value of portfolio securities will not affect cash income derived from these securities but will affect a Portfolio's net asset value. All Portfolios except the Real Estate Securities may invest in fixed income securities.

Futures and Options on Futures

Futures contracts provide for the future sale by one party and purchase by another party of a specified amount of a specific security at a specified future time and at a specified price. An option on a futures contract gives the purchaser the right, in exchange for a premium, to assume a position in a futures contract at a specified exercise price during the term of the option. A Portfolio may use futures contracts and related options for bona fide hedging purposes, to offset changes in the value of securities held or expected to be acquired or be disposed of, to minimize fluctuations in foreign currencies, or to gain exposure to a particular market or instrument. A Portfolio will minimize the risk that it will be unable to close out a futures contract by only entering into futures contracts which are traded on national futures exchanges.

Stock index futures are futures contracts for various stock indices that are traded on registered securities exchanges. A stock index futures contract obligates the seller to deliver (and the purchaser to take) an amount of cash equal to a specific dollar amount times the difference between the value of a specific stock index at the close of the last trading day of the contract and the price at which the agreement is made.

There are risks associated with these activities, including the following: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates, (2) there may be an imperfect or no correlation between the changes in market value of the securities held by the Portfolio and the prices of futures and options on futures, (3) there may not be a liquid secondary market for a futures contract or option, (4) trading

restrictions or limitations may be imposed by an exchange, and (5) government regulations may restrict trading in futures contracts and futures options. The Large Cap Growth and Small Cap Value Portfolios may invest in futures and options on futures.

Illiquid Securities

Illiquid securities are securities that cannot be disposed of within seven business days at approximately the price at which they are being carried on the Portfolio's books. An illiquid security includes a demand instrument with a demand notice period exceeding seven days, where there is no secondary market for such security, and repurchase agreements with durations over 7 days in length. The Real Estate Securities Portfolio may invest in illiquid securities.

Money Market Instruments

Money market securities are high-quality, dollar-denominated, short-term debt instruments. They consist of: (i) bankers' acceptances, certificates of deposits, notes and time deposits of highly-rated U.S. banks and U.S. branches of foreign banks; (ii) U.S. Treasury obligations and instrumentalities of the U.S. Government; (iii) high-quality commercial paper issued by U.S. and foreign corporations; (iv) debt obligations with a maturity of one year or less issued by corporations with outstanding high-quality commercial papers; and (v) repurchase agreements involving any of the foregoing obligations entered into with highly-rated banks and broker-dealers. All Portfolios may invest in money market securities.

Mortgage-Backed Securities

Mortgage-backed securities are instruments that entitle the holder to a share of all interest and principal payments from mortgages underlying the security. The mortgages backing these securities include conventional thirty-year fixed-rate mortgages, graduated payment mortgages, and adjustable rate mortgages. During periods of declining interest rates, prepayment of mortgages underlying mortgage-backed securities can be expected to accelerate. Prepayment of mortgages which underlie securities purchased at a premium often results in capital losses, while prepayment of mortgages purchased at a discount often results in capital gains. Because of these unpredictable prepayment characteristics, it is often not possible to predict accurately the average life or realized yield of a particular issue.

Government Pass-Through Securities: These are securities that are issued or guaranteed by a U.S. Government agency representing an interest in a pool of mortgage loans. The primary issuers or guarantors of these mortgage-backed securities are GNMA, FNMA and FHLMC. FNMA and FHLMC obligations are not backed by the full faith and credit of the U.S. Government as GNMA certificates are, but FNMA and FHLMC securities are supported by the instrumentalities' right to borrow from the U.S. Treasury. GNMA, FNMA and FHLMC each guarantees timely distributions of interest to certificate holders. GNMA and FNMA also each guarantees timely distributions of scheduled principal. FHLMC has in the past guaranteed only the ultimate collection of principal of the underlying mortgage loan; however, FHLMC now issues mortgage-backed securities (FHLMC Gold PCs) which also guarantee timely payment of monthly principal reductions. Government

and private guarantees do not extend to the securities' value, which is likely to vary inversely with fluctuations in interest rates.

Private Pass-Through Securities: These are mortgage-backed securities issued by a non-governmental entity, such as a trust. These securities include collateralized mortgage obligations ("CMOs") and real estate mortgage investment conduits ("REMICs") that are rated in one of the top two rating categories. While they are generally structured with one or more types of credit enhancement, private pass-through securities typically lack a guarantee by an entity having the credit status of a governmental agency or instrumentality.

Collateralized Mortgage Obligations ("CMOs"): CMOs are debt obligations or multiclass pass-through certificates issued by agencies or instrumentalities of the U.S. Government or by private originators or investors in mortgage loans. In a CMO, series of bonds or certificates are usually issued in multiple classes. Principal and interest paid on the underlying mortgage assets may be allocated among the several classes of a series of a CMO in a variety of ways. Each class of a CMO, often referred to as a "tranche," is issued with a specific fixed or floating coupon rate and has a stated maturity or final distribution date. Principal payments on the underlying mortgage assets may cause CMOs to be retired substantially earlier then their stated maturities or final distribution dates, resulting in a loss of all or part of any premium paid.

REMICs: A REMIC is a CMO that qualifies for special tax treatment under the Internal Revenue Code and invests in certain mortgages principally secured by interests in real property. Investors may purchase beneficial interests in REMICs, which are known as "regular" interests, or "residual" interests. Guaranteed REMIC pass-through certificates ("REMIC Certificates") issued by FNMA or FHLMC represent beneficial ownership interests in a REMIC trust consisting principally of mortgage loans or FNMA, FHLMC or GNMA-guaranteed mortgage pass-through certificates. For FHLMC REMIC Certificates, FHLMC guarantees the timely payment of interest, and also guarantees the payment of principal as payments are required to be made on the underlying mortgage participation certificates. FNMA REMIC Certificates are issued and guaranteed as to timely distribution of principal and interest by FNMA.

Parallel Pay Securities; PAC Bonds: Parallel pay CMOs and REMICS are structured to provide payments of principal on each payment date to more than one class. These simultaneous payments are taken into account in calculating the stated maturity date or final distribution date of each class, which must be retired by its stated maturity date or final distribution date, but may be retired earlier. Planned Amortization Class CMOs ("PAC Bonds") generally require payments of a specified amount of principal on each payment date. PAC Bonds are always parallel pay CMOs with the required principal payment on such securities having the highest priority after interest has been paid to all classes.

REITs: REITs are trusts that invest primarily in commercial real estate or real estate-related loans. The value of interests in REITs may be affected by the value of the

property owned or the quality of the mortgages held by the trust. See also, "Real Estate Securities."

Stripped Mortgage-Backed Securities ("SMBs"): SMBs are usually structured with two classes that receive specified proportions of the monthly interest and principal payments from a pool of mortgage securities. One class may receive all of the interest payments and is thus termed an interest-only class ("IO"), while the other class may receive all of the principal payments and is thus termed the principal-only class ("PO"). The value of IOs tends to increase as rates rise and decrease as rates fall; the opposite is true of POs. SMBs are extremely sensitive to changes in interest rates because of the impact thereon of prepayment of principal on the underlying mortgage securities can experience wide swings in value in response to changes in interest rates and associated mortgage prepayment rates. During times when interest rates are experiencing fluctuations, such securities can be difficult to price on a consistent basis. The market for SMBs is not as fully developed as other markets; SMBs therefore may be illiquid.

Risk Factors: Due to the possibility of prepayments of the underlying mortgage instruments, mortgage-backed securities generally do not have a known maturity. In the absence of a known maturity, market participants generally refer to an estimated average life. An average life estimate is a function of an assumption regarding anticipated prepayment patterns, based upon current interest rates, current conditions in the relevant housing markets and other factors. The assumption is necessarily subjective, and thus different market participants can produce different average life estimates with regard to the same security. There can be no assurance that estimated average life will be a security's actual average life. The Balanced Portfolio may invest in mortgaged-backed securities.

Non-Diversification

Investment in the Real Estate Securities Portfolio, a non-diversified mutual fund, may entail greater risk than would investment in a diversified investment company because the concentration in securities of relatively few issuers could result in greater fluctuation in the total market value of the Portfolio's holdings. Any economic, political, or regulatory developments affecting the value of the securities the Portfolio holds could have a greater impact on the total value of the Portfolio's holdings than would be the case if the portfolio securities were diversified among more issuers. The Portfolio intends to comply with the diversification requirements of Subchapter M of the Code. In accordance with these requirements, the Portfolio will not invest more than 5% of its total assets in any one issuer; this limitation applies to 50% of the Portfolio's total assets.

Options

A put option gives the purchaser of the option the right to sell, and the writer of the option the obligation to buy, the underlying security at any time during the option period. A call option gives the purchaser of the option the right to buy, and the writer of the option the obligation to sell, the underlying security at any time during the option period. The premium paid to the writer is the consideration for undertaking the obligations under the option contract. The initial purchase (sale) of an option contract is an "opening

transaction." In order to close out an option position, a portfolio may enter into a "closing transaction," which is simply the sale (purchase) of an option contract on the same security with the same exercise price and expiration date as the option contract originally opened.

A Portfolio may purchase put and call options to protect against a decline in the market value of the securities in its portfolio or to anticipate an increase in the market value of securities that a Portfolio may seek to purchase in the future. A Portfolio purchasing put and call options pays a premium therefor. If price movements in the underlying securities are such that exercise of the options would not be profitable for the Portfolio, loss of the premium paid may be offset by an increase in the value of the Portfolio's securities or by a decrease in the cost of acquisition of securities by the Portfolio.

A Portfolio may write covered call options as a means of increasing the yield on its portfolio and as a means of providing limited protection against decreases in its market value. When a portfolio sells an option, if the underlying securities do not increase or decrease to a price level that would make the exercise of the option profitable to the holder thereof, the option generally will expire without being exercised and the Portfolio will realize as profit the premium received for such option. When a call option of which a portfolio is the writer is exercised, the Portfolio will be required to sell the underlying securities to the option holder at the strike price, and will not participate in any increase in the price of such securities above the strike price. When a put option of which the Portfolio is the writer is exercised, the Portfolio will be requited to purchase the underlying securities at the strike price, which may be in excess of the market value of such securities.

A Portfolio may purchase and write options on an exchange or over-the-counter. Over-the-counter options ("OTC options") differ from exchange-traded options in several respects. They are transacted directly with dealers and not with a clearing corporation, and therefore entail the risk of non-performance by the dealer. OTC options are available for a greater variety of securities and for a wider range of expiration dates and exercise prices than are available for exchange-traded options. Because OTC options are not traded on an exchange, pricing is done normally by reference to information from a market maker. It is the position of the Securities and Exchange Commission that OTC options are generally illiquid.

A Portfolio may purchase and write put and call options on indices and enter into related closing transactions. Put and call options on indices are similar to options on securities except that options on an index give the holder the right to receive, upon exercise of the option, an amount of cash if the closing level of the underlying index is greater than (or less than, in the case of puts) the exercise price of the option. This amount of cash is equal to the difference between the closing price of the index and the exercise price of the option, expressed in dollars multiplied by a specified number. Thus, unlike options on individual securities, all settlements are in cash, and gain or loss depends

on price movements in the particular market represented by the index generally, rather than the price movements in individual securities. A Portfolio may choose to terminate an option position by entering into a closing transaction. The ability of a Portfolio to enter into closing transactions depends upon the existence of a liquid secondary market for such transactions.

All options written on indices must be covered. When a Portfolio writes an option on an index, it will establish a segregated account containing cash or liquid high grade debt securities with its custodian in an amount at least equal to the market value of the option and will maintain the account while the option is open or will otherwise cover the transaction.

Risk Factors: Risks associated with options transactions include: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (2) there may be an imperfect correlation between the movement in prices of options and the securities underlying them; (3) there may not be a liquid secondary market for options; and (4) while a Portfolio will receive a premium when it writes covered call options, it may not participate fully in a rise in the market value of the underlying security. The Large Cap Growth and Small Cap Value Portfolios may invest in options.

Real Estate Securities

The Real Estate Securities Portfolio may be subject to the risks associated with the direct ownership of real estate because of its policy of concentration in the securities of companies principally engaged in the real estate industry. For example, real estate values may fluctuate as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighborhood values, changes in how appealing properties are to tenants and increases in interest rates. The value of securities of companies which service the real estate business sector may also be affected by such risks.

Because the Portfolio may invest a substantial portion of its assets in REITs, the Portfolio may also be subject to certain risks associated with the direct investments of the REITs. REITs may be affected by changes in the value of their underlying properties and by defaults by borrowers or tenants. Mortgage REITs may be affected by the quality of the credit extended. Furthermore, REITs are dependent on specialized management skills. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of properties. REITs depend generally on their ability to generate cash flow to make distributions to shareholders or unitholders, and may be subject to defaults by borrowers and to self-liquidations. In addition, the performance of a REIT may be affected by its failure to qualify for tax-free pass-through of income under the Code or its failure to maintain exemption from registration under the 1940 Act. Changes in prevailing interest rates may inversely affect the value of the debt securities in which the Portfolio will invest. Changes in the value of portfolio securities will not

necessarily affect cash income derived from these securities but will affect a Portfolio's net asset value. See also "REITS" in the description of "Mortgaged-Backed Securities" described above.

Receipts	Receipts are sold as zero coupon securities which means that they are sold at a substantial discount and redeemed at face value at their maturity date without interim cash payments of interest or principal. This discount is accreted over the life of the security, and such accretion will constitute the income earned on the security for both accounting and tax purposes. Because of these features, such securities may be subject to greater interest rate volatility than interest paying Permitted Investments. See also "Taxes." The Large Cap Value, Capital Appreciation, Equity Income and Capital Growth Portfolios may invest in receipts.
Repurchase Agreements	Arrangements by which a Portfolio obtains a security and simultaneously commits to return the security to the seller at an agreed upon price (including principal and interest) on an agreed upon date within a number of days from the date of purchase. The Custodian or its agent will hold the security as collateral for the repurchase agreement. Collateral must be maintained at a value at least equal to 102% of the purchase price. The Portfolio bears a risk of loss in the event the other party defaults on its obligations and the Portfolio is delayed or prevented from its right to dispose of the collateral securities or if the Portfolio realizes a loss on the sale of the collateral securities. The adviser will enter into repurchase agreements on behalf of the Portfolio only with financial institutions deemed to present minimal risk of bankruptcy during the term of the agreement based on guidelines established and periodically reviewed by the Trustees. Repurchase agreements are considered loans under the 1940 Act. All Portfolios may invest in repurchase agreements.
Securities Lending	In order to generate additional income, a Portfolio may lend securities which it owns pursuant to agreements requiring that the loan be continuously secured by collateral consisting of cash, securities of the U.S. Government or its agencies equal to at least 100% of the market value of the securities lent. A Portfolio continues to receive interest on the securities lent while simultaneously earning interest on the investment of cash collateral. Collateral is marked to market daily. There may be risks of delay in recovery of the securities or even loss of rights in the collateral should the borrower of the securities fail financially or become insolvent.
Securities of Foreign Issuers	There are certain risks connected with investing in foreign securities. These include risks of adverse political and economic developments (including possible governmental seizure or nationalization of assets), the possible imposition of exchange controls or other governmental restrictions, less uniformity in accounting and reporting requirements, the possibility that there will be less information on such securities and their issuers available to the public, the difficulty of obtaining or enforcing court judgments abroad, restrictions on foreign investments in other jurisdictions, difficulties in effecting repatriation of capital

invested abroad, and difficulties in transaction settlements and the effect of delay on shareholder equity. Foreign securities may be subject to foreign taxes, and may be less marketable than comparable U.S. securities. The value of a Portfolio's investments denominated in foreign currencies will depend on the relative strengths of those currencies and the U.S. dollars, and a Portfolio may be affected favorably or unfavorably by changes in the exchange rates or exchange control regulations between foreign currencies and the U.S. dollar. Changes in foreign currency exchange rates also may affect the value of dividends and interest earned, gains and losses realized on the sale of securities and net investment income and gains if any, to be distributed to shareholders by a Portfolio. The Large Cap Value, Large Cap Growth, Small Cap Value, Capital Appreciation, Equity Income, Balanced, Capital Growth and Real Estate Securities Portfolios may invest in securities of foreign issuers.

Time Deposits — Time deposits are non-negotiable receipts issued by a bank in exchange for the deposit of funds. Like a certificate of deposit, it earns a specified rate of interest over a definite period of time; however, it cannot be traded in the secondary market. Time deposits are considered to be illiquid securities. The Large Cap Growth, Small Cap Value and Real Estate Securities Portfolios may invest in time deposits.

U.S. Government Agencies — Obligations issued or guaranteed by agencies of the U.S. Government, including, among others, the Federal Farm Credit Bank, the Federal Housing Administration and the Small Business Administration, and obligations issued or guaranteed by instrumentalities of the U.S. Government, including, among others, the Federal Home Loan Mortgage Corporation, the Federal Land Banks and the U.S. Postal Service. Some of these securities are supported by the full faith and credit of the U.S. Treasury (e.g., Government National Mortgage Association), others are supported by the right of the issuer to borrow from the Treasury (e.g., Federal Farm Credit Bank), while still others are supported only by the credit of the instrumentality (e.g., Federal National Mortgage Association). Guarantees of principal by agencies or instrumentalities of the U.S. Government may be a guarantee of payment at the maturity of the obligation so that in the event of a default prior to maturity there might not be a market and thus no means of realizing on the obligation prior to maturity. Guarantees as to the timely payment of principal and interest do not extend to the value or yield of these securities nor to the value of the Fund's shares. All Portfolios may invest in obligations issued or guaranteed by U.S. Government agencies.

U.S. Treasury Obligations — U.S. Treasury obligations consist of bills, notes and bonds issued by the U.S. Treasury and separately traded interest and principal component parts of such obligations that are transferable through the Federal book-entry Principal Securities ("STRIPS"). All Portfolios may invest in U.S. Treasury Obligations.

U.S. Treasury Receipts — U. S. Treasury receipts are interests in separately traded interest and principal component parts of U.S. Treasury obligations that are issued by banks or brokerage firms and are created by depositing U.S. Treasury notes and obligations into a special account at

custodian bank. The custodian holds the interest and principal payments for the benefit of the registered owners of the certificates of receipts. The custodian arranges for the issuance of the certificates or receipts evidencing ownership and maintains the register. Receipts include "Treasury Receipts" ("TRs"), "Treasury Investment Growth Receipts" ("TIGRs") "Liquid Yield Option Notes" ("LYONs") and "Certificates of Accrual on Treasury Securities" ("CATS"). TIGRs and CATS are interests in private proprietary accounts while TRs and STRIPS are interest in accounts sponsored by the U.S. Treasury. The Large Cap Value, Capital Appreciation, Equity Income and Capital Growth Portfolios may invest in U.S. Treasury receipts.

Variable and Floating Rate Instruments	Certain obligations may carry variable or floating rates of interest, and may involve a conditional or unconditional demand feature. Such instruments bear interest at rates which are not fixed, but which vary with changes in specified market rates or indices. The interest rates on these securities may be reset daily, weekly, quarterly or some other reset period, and may have a floor or ceiling on interest rate changes. There is a risk that the current interest rate on such obligations may not accurately reflect existing market interest rates. A demand instrument with a demand notice exceeding seven days may be considered illiquid if there is no secondary market for such security. All Portfolios may invest in variable and floating rate instruments.
Warrants	Warrants are instruments giving holders the right, but not the obligation, to buy shares of a company at a given price during a specified period. The Large Cap Growth, Small Cap Value, Small Cap Growth, Mid-Cap Growth and Real Estate Securities Portfolios may invest in warrants.
When-Issued and Delayed Delivery Securities	When-issued or delayed delivery basis transactions involve the purchase of an instrument with payment and delivery taking place in the future. Delivery of and payment for these securities may occur a month or more after the date of the purchase commitment. A Portfolio will maintain with the custodian a separate account with liquid high grade debt securities or cash in an amount at least equal to these commitments. The interest rate realized on these securities is fixed as of the purchase date and no interest accrues to a Portfolio before settlement. These securities are subject to market fluctuation due to changes in market interest rates and it is possible that the market value at the time of settlement could be higher or lower than the purchase price if the general level of interest rates has changed. Although a Portfolio generally purchases securities on a when-issued or forward commitment basis with the intention of actually acquiring securities, a Portfolio may dispose of a when-issued security or forward commitment prior to settlement if it deems appropriate. All Portfolios may invest in when-issued and delayed delivery securities.

Additional information on permitted investments and risk factors can be found in the Statement of Additional Information.

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BALANCED PORTFOLIO

Please read this Prospectus carefully before investing, and keep it on file for future reference. It contains information that can help you decide if a Portfolio's investment goals match your own.

A Statement of Additional Information (SAI) dated January 31, 1995 has been filed with the Securities and Exchange Commission and is available without charge through the Distributor, SEI Financial Services Company, 680 East Swedesford Road, Wayne, PA 19087 or by calling 1-800-437-6016. The Statement of Additional Information is incorporated into this Prospectus by reference.

SEI Institutional Managed Trust (the "Trust") is a mutual fund that offers shareholders a convenient means of investing their funds in one or more professionally managed diversified and non-diversified portfolios of securities. The Large Cap Value, Large Cap Growth, Small Cap Value, Small Cap Growth, Mid-Cap Growth, Capital Appreciation, Equity Income and Balanced Portfolios, investment portfolios of the Trust, offer three classes of shares, Class A shares, Class B shares and ProVantage Funds shares. ProVantage Funds shares differ from Class A and Class B shares primarily in the imposition of sales charges and the allocation of certain distribution expenses and transfer agent fees. ProVantage Funds shares are available through SEI Financial Services Company (the Trust's distributor) and through participating broker-dealers, financial institutions and other organizations. This Prospectus offers the ProVantage Funds shares of one balanced (fixed income and equity) and seven equity portfolios (the "Portfolios" and each of these a "Portfolio") listed above.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE TRUST'S SHARES ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK. THE TRUST'S SHARES ARE NOT FEDERALLY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER GOVERNMENT AGENCY. INVESTMENT IN THE SHARES INVOLVES RISK, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

HOW TO READ THIS PROSPECTUS

This Prospectus gives you information that you should know about the Portfolios before investing. Brief descriptions are also provided throughout the Prospectus to better explain certain key points. To find these helpful guides, look for this symbol. (SYMBOL APPEARS HERE)

FUND HIGHLIGHTS

The following summary provides basic information about the ProVantage Funds shares of the Trust's Large Cap Value, Large Cap Growth, Small Cap Value, Small Cap Growth, Mid-Cap Growth, Capital Appreciation, Equity Income and Balanced Portfolios. This summary is qualified in its entirety by reference to the more detailed information provided elsewhere in this Prospectus and in the Statement of Additional Information.

INVESTMENT OBJECTIVES AND POLICIES	Below are the investment objectives and policies for each Portfolio. For more information, see "Investment Objectives and Policies," "General Investment Policies" and "Description of Permitted Investments and Risk Factors."
LARGE CAP VALUE PORTFOLIO	The Large Cap Value Portfolio seeks to provide long-term growth of capital and income by investing primarily in a diversified portfolio of high quality, income producing common stocks which in the advisers' opinion is undervalued at the time of purchase.
LARGE CAP GROWTH PORTFOLIO	The Large Cap Growth Portfolio seeks to provide capital appreciation by investing primarily in equity securities of large companies.
SMALL CAP VALUE PORTFOLIO	The Small Cap Value Portfolio seeks to provide capital appreciation by investing pri-marily in equity securities of small companies.
SMALL CAP GROWTH PORTFOLIO	The Small Cap Growth Portfolio seeks to provide long-term capital appreciation by investing primarily in equity securities of smaller companies that the adviser believes are in an early stage or transitional point in their development and have demonstrated or have the potential for above average capital growth.
MID-CAP GROWTH PORTFOLIO	The Mid-Cap Growth Portfolio seeks to provide long-term capital appreciation by investing primarily in equity securities of medium sized companies that the adviser believes are well established but have not reached full maturity, and may offer significant growth potential.
CAPITAL APPRECIATION PORTFOLIO	The Capital Appreciation Portfolio seeks to provide capital appreciation by investing primarily in a diversified portfolio of common stocks (and securities convertible into common stock) which, in the adviser's opinion, are undervalued in the market place at the time of purchase.
EQUITY INCOME PORTFOLIO	The Equity Income Portfolio seeks to provide current income and moderate capital appreciation by investing primarily in a diversified portfolio of common stocks.

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BALANCED PORTFOLIO	The Balanced Portfolio seeks to provide total return while preserving capital by investing primarily in a combination of undervalued common stocks and fixed income securities.

UNDERSTANDING RISK	Shares of the Portfolios, like shares of any mutual fund, will fluctuate in value and when you sell your shares, they may be worth more or less than what you paid for them. Each Portfolio may invest in equity securities that are affected by market and economic factors, and may invest in fixed income securities that tend to vary inversely with interest rates and may be affected by other market and economic factors as well, which may cause these securities to fluctuate in value. In addition, the Small Cap Value and Small Cap Growth Portfolios may invest in equity securities of smaller companies, which involves greater risk than is customarily associated with investments in larger, more established companies. There is no assurance that the Portfolios will achieve their investment objectives. See "Investment Objectives and Policies" and "Description of Permitted Investments and Risk Factors."

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(SYMBOL APPEARS HERE) PROVANTAGE FUNDS

Believing that no single investment manager can deliver outstanding performance in every investment category, only those advisers who have distinguished themselves within their areas of specialization are selected to advise our mutual funds.

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MANAGEMENT PROFILE	SEI FINANCIAL MANAGEMENT CORPORATION ("SFM") serves as the investment adviser of the Large Cap Value Portfolio, Large Cap Growth Portfolio and Small Cap Value Portfolio. MELLON EQUITY ASSOCIATES and MERUS CAPITAL MANAGEMENT each serves as the investment sub-adviser for a portion of the Large Cap Value Portfolio. ALLIANCE CAPITAL MANAGEMENT L.P. and IDS ADVISORY GROUP each serves as the investment sub-adviser for a portion of the Large Cap Growth Portfolio. 1838 INVESTMENT ADVISORS, L.P. serves as the investment sub-adviser to the Small Cap Value Portfolio. INVESTMENT ADVISERS, INC., NICHOLAS-APPLEGATE CAPITAL MANAGEMENT and PILGRIM BAXTER & ASSOCIATES, LTD. each serves as an investment adviser for a portion of the Small Cap Growth Portfolio. SUNBANK CAPITAL MANAGEMENT, N.A. serves as the investment adviser of the Capital Appreciation and Balanced Portfolios. MERUS CAPITAL MANAGEMENT, a division of The Bank of California, also serves as the investment adviser of the Equity Income Portfolio. NICHOLAS-APPLEGATE CAPITAL MANAGEMENT also serves as the investment adviser for the Mid-Cap Growth Portfolio. SFM serves as the manager, shareholder servicing agent and transfer agent of the Trust. SEI Financial Services Company acts as distributor of the Trust's shares. See "The Manager and Shareholder Servicing Agent," "The Advisers and Sub-Advisers" and "Distribution."
YOUR ACCOUNT AND DOING BUSINESS WITH PROVANTAGE FUNDS	You may open an account with just $1,000 and make additional investments with as little as $100. ProVantage Funds shares of the Portfolios are offered at net asset value per share plus a maximum sales charge at the time of purchase of 5.00%. Shareholders who purchase higher amounts may qualify for a reduced sales charge. Redemptions of a Portfolio's shares are made at net asset value per share. See "Your Account and Doing Business with ProVantage Funds" and "Additional Information About Doing Business with Us."

DIVIDENDS	Substantially all of the net investment income (exclusive of capital gains) is distributed in the form of dividends that will be paid monthly for the Large Cap Value, Capital Appreciation, Equity Income and Balanced Portfolios, and

quarterly for the Large Cap Growth, Small Cap Value, Small Cap Growth and Mid-Cap Growth Portfolios. Any realized net capital gain is distributed at least annually. Distributions are paid in additional shares unless the shareholder elects to take the payment in cash. See "Dividends."

INFORMATION/ SERVICE CONTACTS — For more information about ProVantage Funds call SEI Financial Services Company at 1-800-437-6016.

SHAREHOLDER TRANSACTION EXPENSES (as a percentage of offering price)

<TABLE>
<CAPTION>

	LARGE CAP VALUE PORTFOLIO	LARGE CAP GROWTH PORTFOLIO	SMALL CAP VALUE PORTFOLIO	SMALL CAP GROWTH PORTFOLIO	MID-CAP GROWTH PORTFOLIO	CAPITAL APPRECIATION PORTFOLIO	EQUITY INCOME PORTFOLIO	BALANCED PORTFOLIO
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Maximum Sales Charge Imposed on Purchases	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Maximum Sales Charge Imposed on Reinvested Dividends	None	None	None	None	None	None	None	None
Redemption Fees (1)	None	None	None	None	None	None	None	None
ANNUAL OPERATING EXPENSES (as a percentage of average net assets)								
Management/Advisory Fees (after fee waiver) (2)	.65%	.70%	.98%	.99%	.86%	.75%	.73%	.59%
12b-1 Fees (3)	.30%	.32%	.32%	.31%	.33%	.30%	.31%	.36%
Other Expenses (4)	.20%	.23%	.20%	.20%	.18%	.19%	.18%	.20%
Total Operating Expenses (after fee waiver) (5)	1.15%	1.25%	1.50%	1.50%	1.37%	1.24%	1.22%	1.15%

</TABLE>

(1) A charge, currently $10.00, is imposed on wires of redemption proceeds of the Portfolios' ProVantage Funds shares.
(2) SEI Financial Management Corporation ("SFM"), in its capacity as Manager for each Portfolio, and certain of the investment advisers and sub-advisers (collectively, "advisers") have agreed to waive, on a voluntary basis, a portion of their fees, and the management/advisory fees shown reflect this voluntary waiver. Such fee waivers are voluntary and may be terminated at any time in the sole discretion of each entity that has agreed to waive a portion of its fee. Absent such fee waiver, management/advisory fees would be: Large Cap Value Portfolio, .70%; Large Cap Growth Portfolio, .75%; Small Cap Value Portfolio, 1.00%; Small Cap Growth Portfolio, 1.00%; Mid-Cap Growth Portfolio, .95%; Capital Appreciation Portfolio, .75%; Equity Income Portfolio, .75%; and Balanced Portfolio, .75%;.
(3) The 12b-1 fees shown include both the Portfolios' current 12b-1 budget for reimbursement of expenses and the Distributor's voluntary waiver of a portion of its compensatory fee. The Distributor reserves the right to terminate its waiver at any time in its sole discretion. The maximum 12b-1 fees payable by the ProVantage Funds shares of each Portfolio are .60%.
(4) Other Expenses for the Large Cap Growth and Small Cap Value Portfolios are based on estimated amounts for the current fiscal year.
(5) Absent the voluntary fee waivers described above, total operating expenses for ProVantage Funds shares would be: Large Cap Value Portfolio, 1.20%; Large Cap Growth Portfolio, 1.35%; Small Cap Value Portfolio, 1.57%; Small Cap Growth Portfolio, 1.51%; Mid-Cap Growth Portfolio 1.46%; Capital Appreciation Portfolio, 1.24%; Equity Income Portfolio, 1.24%; and Balanced Portfolio, 1.31%.

EXAMPLE

An investor in a Portfolio would pay the following expenses on a $1,000 investment assuming (1) the imposition of the maximum sales load; (2) 5% annual return and (3) redemption at the end of each time period:

	1 YR.	3 YRS.	5 YRS.	10 YRS.
Large Cap Value Portfolio	$61.00	$85.00	$110.00	$183.00
Large Cap Growth Portfolio	$62.00	$88.00	--	--
Small Cap Value Portfolio	$65.00	$95.00	--	--
Small Cap Growth Portfolio	$65.00	$95.00	$128.00	$220.00
Mid-Cap Growth Portfolio	$63.00	$91.00	$121.00	$206.00
Capital Appreciation Portfolio	$62.00	$87.00	$115.00	$193.00
Equity Income Portfolio	$62.00	$87.00	$114.00	$190.00
Balanced Portfolio	$61.00	$85.00	$110.00	$183.00

THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

The purpose of the expense table and example is to assist the investor in understanding the various costs and expenses that may be directly or indirectly borne by investors in ProVantage Funds shares of each Portfolio. A person who purchases shares through an account with a financial institution may be charged separate fees by that institution. The information set forth in the foregoing table and example relates only to the ProVantage Funds shares. Each Portfolio also offers Class A and Class B shares, which are subject to the same expenses, except that there are no sales loads, different distribution costs and no transfer agent costs. Additional information may be found under "The Manager and Shareholder Servicing Agent," "The Advisers and Sub-Advisers" and "Distribution."

The rules of the Securities and Exchange Commission require that the maximum sales charge be reflected in the above table. However, certain investors may qualify for reduced sales charges. See "Purchase of Shares." Long-term shareholders may pay more than the economic equivalent of the maximum front-end sales charges otherwise permitted by the Rules of Fair Practice (the "Rules") of the National Association of Securities Dealers, Inc. ("NASD").

FINANCIAL HIGHLIGHTS

The following information has been audited by Price Waterhouse LLP, the Trust's independent accountants, as indicated in their report dated November 11, 1994 on the Trust's financial statements as of September 30, 1994 included in the Trust's Statement of Additional Information under "Financial Information." Additional performance information is set forth in the 1994 Annual Report to Shareholders and is available upon request and without charge by calling 1-800-437-6016. As of the most recent fiscal year, there were no ProVantage Funds shares outstanding of the Large Cap Value, Large Cap Growth, Small Cap Value and Balanced Portfolios. This table should be read in conjunction with the Trust's financial statements and notes thereto.

FOR A PROVANTAGE FUNDS SHARE OUTSTANDING THROUGHOUT THE PERIOD

	Small Cap Growth Portfolio
	For the period ended September 30, 1994 (1)

Net Asset Value, Beginning of Period	$14.04
Income from Investment Operations:	
Net Investment Income (Loss)	(0.02)
Net Realized and Unrealized Gains (Losses) on Securities	(0.03)
Total from Investment Operations	$(0.05)
Less Distributions:	
Dividends from Net Investment Income	--
Distributions from Realized Capital Gains	--
Total Distributions	$ --
Net Asset Value, End of Period	$13.99
Total Return	(3.02)%*
Ratios/Supplemental Data:	
Net Assets, End of Period (000)	$171
Ratio of Expenses to Average Net Assets	1.49%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	1.52%
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.92)%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	(0.95)%
Portfolio Turnover Rate	97%

</TABLE>

* Sales load is not reflected in total return.

(1) Small Cap Growth ProVantage Funds shares were offered beginning May 2, 1994. All ratios including total return for that period have been annualized.

FINANCIAL HIGHLIGHTS (CONTINUED)

FOR A PROVANTAGE FUNDS SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

<S>	<C> Mid-Cap Growth Portfolio For the period ended September 30, 1994 (1)
Net Asset Value, Beginning of Period	$11.19
Income from Investment Operations:	
Net Investment Income (Loss)	(0.01)
Net Realized and Unrealized Gains (Losses) on Securities	(0.31)
Total from Investment Operations	$(0.32)
Less Distributions:	
Dividends from Net Investment Income	--
Distributions from Realized Capital Gains	--
Total Distributions	$ --

Net Asset Value, End of Period	$10.87
Total Return	(8.63)%*
Ratios/Supplemental Data:	
Net Assets, End of Period (000)	$60
Ratio of Expenses to Average Net Assets	1.36%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	1.45%
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.41)%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	(0.50)%
Portfolio Turnover Rate	89%

</TABLE>

* Sales load is not reflected in total return.

(1) Mid-Cap Growth ProVantage Funds shares were offered beginning May 2, 1994. All ratios including total return for that period have been annualized.

FINANCIAL HIGHLIGHTS (CONTINUED)

FOR A PROVANTAGE FUNDS SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

	Capital Appreciation Portfolio	
	For the periods ended September 30,	
	1994	1993 (1)
<S>	<C>	<C>
Net Asset Value, Beginning of Period	$16.36	$16.17
Income from Investment Operations:		
Net Investment Income (Loss)	0.18	0.05
Net Realized and Unrealized Gains (Losses) on Securities	(0.22)	0.16
Total from Investment Operations	$(0.04)	$0.21
Less Distributions:		
Dividends from Net Investment Income	(0.20)	(0.02)
Distributions from Realized Capital Gains	(0.95)	--
Total Distributions	$(1.15)	$(0.02)
Net Asset Value, End of Period	$15.17	$16.36
Total Return	(0.46)%*	10.65%*
Ratios/Supplemental Data:		
Net Assets, End of Period (000)	$2,182	$2
Ratio of Expenses to Average Net Assets	1.24%	1.15%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	1.27%	1.24%
Ratio of Net Investment Income (Loss) to Average Net Assets	1.20%	2.54%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	1.16%	2.45%

Portfolio Turnover Rate	109%	119%

</TABLE>

* Sales load is not reflected in total return.

(1) Capital Appreciation ProVantage Funds shares were offered beginning August 16, 1993. All ratios including total return for that period have been annualized.

FINANCIAL HIGHLIGHTS (CONTINUED)

FOR A PROVANTAGE FUNDS SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

	Equity Income Portfolio For the periods ended September 30, 1994	1993 (1)
<S>	<C>	<C>
Net Asset Value, Beginning of Period	$15.00	$14.82
Income from Investment Operations:		
Net Investment Income (Loss)	0.45	0.02
Net Realized and Unrealized Gains (Losses) on Securities	(0.38)	0.16
Total from Investment Operations	$0.07	$0.18
Less Distributions:		
Dividends from Net Investment Income	(0.46)	--
Distributions from Realized Capital Gains	(0.57)	--
Total Distributions	$(1.03)	$ --
Net Asset Value, End of Period	$14.04	$15.00
Total Return	0.61%*	42.39%*
Ratios/Supplemental Data:		
Net Assets, End of Period (000)	$892	$6
Ratio of Expenses to Average Net Assets	1.20%	1.15%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	1.35%	1.46%
Ratio of Net Investment Income (Loss) to Average Net Assets	3.36%	5.39%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	3.21%	5.08%
Portfolio Turnover Rate	28%	39%

</TABLE>

* Sales load is not reflected in total return.

(1) Equity Income ProVantage Funds shares were offered beginning September 22, 1993. All ratios including total return for that period have been annualized.

YOUR ACCOUNT AND DOING BUSINESS WITH PROVANTAGE FUNDS

ProVantage Funds shares of the Portfolios are sold on a continuous basis and may be purchased directly from the Trust's Distributor, SEI Financial Services Company. Shares may also be purchased through financial institutions, broker-dealers, or other organizations which have established a dealer agreement or other arrangement with SEI Financial Services Company ("Intermediaries"). For more information about the following topics, see "Additional Information About Doing Business with Us."

HOW TO BUY, SELL AND EXCHANGE SHARES THROUGH INTERMEDIARIES	ProVantage Funds shares of the Portfolios may be purchased through Intermediaries which provide various levels of shareholder services to their customers. Contact your Intermediary for information about the services available to you and for specific instructions on how to buy, sell and exchange shares. To allow for processing and transmittal of orders to the Distributor on the same day, Intermediaries may impose earlier cut-off times for receipt of purchase orders. Certain Intermediaries may charge customer account fees. Information concerning shareholder services and any charges will be provided to the customer by the Intermediary. Certain of these Intermediaries may be required to register as broker/dealers under state law. The shares you purchase through an Intermediary may be held "of record" by that Intermediary. If you want to transfer the registration of shares beneficially owned by you, but held "of record" by an Intermediary, you should call the Intermediary to request this change.

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(SYMBOL APPEARS HERE) WHAT IS AN INTERMEDIARY?

Any entity, such as a bank, broker-dealer, other financial institution, association or organization which has entered into an arrangement with the Distributor to sell ProVantage Funds shares to its customers.

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HOW TO BUY SHARES FROM THE DISTRIBUTOR	Application forms can be obtained by calling SEI Financial Services Company at 1-800-437-6016. ProVantage Funds shares of the Portfolios are offered only to residents of states in which the shares are eligible for purchase.
Opening an Account By Check	You may buy ProVantage Funds shares by mailing a completed application and a check (or other negotiable bank instrument or money order) payable to "ProVantage Funds (Portfolio Name)." If you send a check that does not clear, the purchase will be canceled and you could be liable for any losses or fees incurred.
By Fed Wire	To buy shares by Fed Wire call SEI Financial Services Company toll-free at 1-800-437-6016.
Automatic Investment Plan ("AIP")	You may systematically buy ProVantage Funds shares through deductions from your checking or savings accounts, provided these accounts are maintained through banks which are part of the Automated Clearing House ("ACH") system. You may purchase shares on a fixed schedule (semi-monthly or monthly) with amounts as low as $25, or as high as $100,000. Upon notice, the amount you commit to the AIP may be changed or canceled at any time. The AIP is subject to account minimum initial purchase amounts and minimum maintained balance requirements discussed under "Additional Information About Doing Business With Us."

OTHER INFORMATION ABOUT BUYING	Your purchase is subject to a sales charge which varies depending on the size of your purchase. The following table shows the regular sales charges on ProVantage Funds shares

SHARES

Sales Charges

of the Portfolios to a "single purchaser," together with the reallowance paid to dealers and the agency commission paid to brokers (collectively the "commission"):

<TABLE>

<CAPTION>

AMOUNT OF PURCHASE	SALES CHARGE AS A PERCENTAGE OF OFFERING PRICE	SALES CHARGE AS APPROPRIATE PERCENTAGE OF NET AMOUNT INVESTED	REALLOWANCE AND BROKERAGE COMMISSION AS PERCENTAGE OF OFFERING PRICE
<S>	<C>	<C>	<C>
(less than) $50,000	5.00%	5.26%	4.50%
$50,000 but (less than) $100,000	4.50%	4.71%	4.00%
$100,000 but (less than) $250,000	3.50%	3.63%	3.00%
$250,000 but (less than) $500,000	2.50%	2.56%	2.00%
$500,000 but (less than) $1,000,000	2.00%	2.04%	1.75%
$1,000,000 but (less than) $2,000,000	1.00%	1.01%	1.00%
$2,000,000 but (less than) $4,000,000	.50%	.50%	.50%
Over $4,000,000	none	none	none

</TABLE>

The commissions shown in the table above apply to sales through Intermediaries. Under certain circumstances, commissions up to the amount of the entire sales charge may be re-allowed to certain Intermediaries, who might then be deemed to be "underwriters" under the Securities Act of 1933, as amended.

Right of Accumulation

A Right of Accumulation allows you, under certain circumstances, to combine your current purchase with the current market value of previously purchased shares of each Portfolio and ProVantage Funds shares of other portfolios ("Eligible Portfolios") in order to obtain a reduced sales charge.

Letter of Intent

A Letter of Intent allows you, under certain circumstances, to aggregate anticipated purchases over a 13-month period to obtain a reduced sales charge.

Sales Charge Waiver

Certain shareholders may qualify for a sales charge waiver. To determine whether or not you qualify for a sales charge waiver see "Additional Information About Doing Business with Us." Shareholders who qualify for a sales charge waiver must notify SFM before purchasing shares.

EXCHANGING SHARES

When Can You Exchange Shares?

Once good payment for your shares has been received and accepted (i.e., an account has been established), you may exchange some or all of your shares for ProVantage Funds shares of other portfolios. Exchanges are made at net asset value plus any applicable sales charge.

When Do Sales Charges Apply to an Exchange?

Portfolios that are not money market portfolios currently impose a sales charge on ProVantage Funds shares. If you exchange into one of these "non-money market" portfolios, you will have to pay a sales charge on any portion of your exchanged ProVantage Funds shares for which you have not previously paid a sales charge.

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(SYMBOL APPEARS HERE) HOW DOES AN EXCHANGE TAKE PLACE?

When making an exchange, you authorize the sale of your shares of one or more Portfolios in order to purchase the shares of another Portfolio. In other words, you are executing a sell order and then a buy order. This sale of your shares is a taxable event which could result in a taxable gain or loss.

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If you previously paid a sales charge on your ProVantage Funds shares, no additional sales charge will be assessed when you exchange those ProVantage Funds shares for other ProVantage Funds shares.

If you buy ProVantage Funds shares of a "non-money market" fund and you receive a sales charge waiver, you will be deemed to have paid the sales charge for purposes of this exchange privilege. In calculating any sales charge payable on your exchange, the Trust will assume that the first shares you exchange are those on which you have already paid a sales charge. Sales charge waivers may also be available under certain circumstances described in the portfolios' prospectuses.

The Trust reserves the right to change the terms and conditions of the exchange privilege discussed herein, or to terminate the exchange privilege, upon 60 days' notice. The Trust also reserves the right to deny an exchange request made within 60 days of the purchase of a non-money market portfolio.

Requesting an Exchange of Shares

To request an exchange, you must provide proper instructions in writing to SFM. Telephone exchanges will also be accepted if you previously elected this option on your account application.

In the case of shares held "of record" by an Intermediary but beneficially owned by you, you should contact the Intermediary who will contact SFM and effect the exchange on your behalf.

HOW TO SELL SHARES THROUGH THE DISTRIBUTOR

By Mail

To sell your shares, a written request for redemption in good order must be received by SFM. Valid written redemption requests will be effective on receipt. All shareholders of record must sign the redemption request.

For information about the proper form of redemption requests, call 1-800-437-6016. You may also have the proceeds mailed to an address of record or mailed (or sent by ACH) to a commercial bank account previously designated on the Account Application or specified by written instruction to SEI Financial Services Company. There is no charge for having redemption requests mailed to a designated bank account.

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(SYMBOL APPEARS HERE) WHAT IS A SIGNATURE GUARANTEE?

A signature guarantee verifies the authenticity of your signature and may be obtained from any of the following: banks, brokers, dealers, certain credit unions, securities exchange or association, clearing agency or savings association. A notary public cannot provide a signature guarantee.

....

By Telephone

You may sell your shares by telephone if you previously elected that option on the Account Application. You may have the proceeds mailed to the address of record, wired or sent by ACH to a commercial bank account previously designated on the Account Application. Under most circumstances, payments will be transmitted on the next Business Day following receipt of a valid telephone request for redemption. Wire redemption requests may be made by calling SEI Financial Services Company at 1-800-437-6016, who will subtract a wire redemption charge (presently $10.00) from the amount of the redemption.

Systematic Withdrawal Plan ("SWP")

You may establish a systematic withdrawal plan for an account with a $10,000 minimum balance. Under the plan, redemptions can be automatically processed from accounts (monthly, quarterly, semi-annually or annually) by check or by ACH with a minimum redemption amount of $50.

INVESTMENT OBJECTIVES AND POLICIES

LARGE CAP VALUE PORTFOLIO

The investment objective of the Large Cap Value Portfolio is long-term growth of capital and income. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio invests primarily in a diversified portfolio of high quality, income producing common stocks which, in the advisers' opinion, are undervalued in the marketplace at the time of purchase. In general, the advisers characterize high quality securities as those that have above-average returns-on-equity and above average reinvestment

(SYMBOL APPEARS HERE) WHAT ARE INVESTMENT OBJECTIVES AND POLICIES?

A Portfolio's investment objective is a statement of what it seeks to achieve. It is important to make sure that the investment objective matches your own financial needs and circumstances. The investment policies section spells out the types of securities in which each Portfolio invests.

rates relative to the stock market in general as measured by the S&P Barra/Value Index. The advisers also consider other factors, such as earnings and dividend growth prospects as well as industry outlook and market share. Under normal conditions, the Portfolio will invest at least 65% of its total assets will be invested in common stocks of companies with a market capitalization of at least $1 billion.

Under normal circumstances the Portfolio, to the extent not invested in the securities described above, may invest in investment grade bonds. Investment grade bonds include securities rated BBB by Standard & Poor's Corporation ("S&P") or Baa by Moody's Investors Service, Inc. ("Moody's"), which may be regarded as having speculative characteristics.

The Portfolio's investment adviser is SEI Financial Management Corporation and its investment sub-advisers are LSV Asset Management, Mellon Equity Associates and Merus Capital Management.

LARGE CAP GROWTH PORTFOLIO

The investment objectives of the Large Cap Growth Portfolio is capital appreciation. There is no assurance that the Portfolio will achieve its investment objective.

Under normal conditions, the Portfolio will invest at least 65% of its total assets in equity securities of large companies (i.e., companies with market capitalizations of more than $1 billion). The Portfolio's advisers will generally select securities of issuers believed to possess significant growth potential. Any remaining assets may be invested in fixed income securities or in equity securities of smaller companies that the Portfolio's advisers believe are appropriate in light of the Portfolio's objective. Equity securities include common stock, preferred stock, warrants or rights to subscribe to common stock and, in general, any security that is convertible into or exchangeable for common stock. Fixed-income securities must be rated investment grade or better, i.e., rated at least BBB by S&P or Baa by Moody's. Debt securities rated BBB or Baa lack outstanding investment characteristics, and have speculative characteristics as well.

In order to meet liquidity needs, or for temporary defensive purposes, the Portfolio may invest up to 100% of its assets in cash and money market securities. Money market securities must be rated in one of the top two categories by a major rating service or, if unrated, be of comparable quality as determined by the managers.

The Portfolio's annual turnover rate may exceed 100%. Such a turnover rate may result in higher transaction costs and may result in additional taxes for shareholders. See "Taxes."

The Portfolio's investment adviser is a SEI Financial Management Corporation and its investment sub-advisers are Alliance Capital Management L.P. and IDS Advisory Group Inc.

SMALL CAP VALUE PORTFOLIO

The investment objective of the Small Cap Value Portfolio is capital appreciation. There is no assurance that the Portfolio will achieve its investment objective.

Under normal market conditions, the Portfolio will invest at least 65% of its total assets in the equity securities of smaller companies (i.e., companies with market

capitalizations of less than $1 billion). The Portfolio's advisers will select securities of companies believed to be undervalued on the basis of various market-related criteria. Any remaining assets may be invested in fixed income securities or equity securities of larger, more established companies that the Portfolio's advisers believe are appropriate in light of the Portfolio's objective. Equity securities include common stock, preferred stock, warrants and rights to subscribe to common stock and, in general, any security that is convertible into or exchangeable for common stock. Fixed income securities must be rated investment grade or better, i.e., rated at least BBB by S&P or Baa by Moody's. Debt securities rated BBB or Baa lack outstanding investment characteristics, and have speculative characteristics as well.

In order to meet liquidity needs, or for temporary defensive purposes, the Portfolio may invest up to 100% of its assets in cash and money market securities. Money market securities must be rated in one of the two top categories by a major rating service or, if unrated, be of comparable quality as determined by the Portfolio's advisers.

The Portfolio's investment adviser is SEI Financial Management Corporation and its investment sub-adviser is 1838 Investment Advisors, L.P.

SMALL CAP GROWTH PORTFOLIO

The investment objective of the Small Cap Growth Portfolio is to provide long-term capital appreciation by investing primarily in equity securities of smaller companies. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio seeks to provide long-term capital appreciation. The Portfolio's policy is to invest in equity securities of smaller companies that the advisers believe are in an early stage or transitional point in their development and have demonstrated or have the potential for above average capital growth. The advisers will select companies which have the potential to gain market share in their industry, achieve and maintain high and consistent profitability or produce increases in earnings. The advisers also seek companies with strong company management and superior fundamental strength.

Under normal market conditions, the Portfolio will invest at least 65% of its total assets in the equity securities of smaller growth companies (i.e., market capitalizations less than $1 billion). Small capitalization companies have the potential to show earnings growth over time that is well above the growth rate of the overall economy. The remaining 35% of the Portfolio's assets may be invested in the equity securities of more established companies that the advisers believe may offer strong capital appreciation potential due to their relative market position, anticipated earnings growth, changes in management or other similar opportunities. Equity securities include common stock, preferred stock, warrants and rights to subscribe to common stock and, in general, any security that is convertible into or exchangeable for common stock.

For temporary defensive purposes, when in the opinion of the advisers market conditions so warrant, the Portfolio may invest all or a portion of its assets in common stocks of larger, more established companies or in fixed income securities or money market securities (consisting of securities issued or guaranteed by the United States

Government, its agencies or instrumentalities, repurchase agreements backed by such securities, certificates of deposit, bankers acceptances and high-grade commercial paper). Fixed income securities will only be purchased if they are rated investment grade or better. Investment grade bonds include securities rated at least BBB by S&P or Baa by Moody's. Securities rated BBB or Baa may be regarded as having speculative characteristics. Money market securities will only be purchased if they have been given one of the two top ratings by a major rating service, or if unrated, are of comparable quality as determined by the advisers. To the extent the Portfolio is engaged in temporary defensive investments, the Portfolio will not be pursuing its investment objective.

The Portfolio's investment advisers are Investment Advisers, Inc., Nicholas-Applegate Capital Management (a Limited Partnership) and Pilgrim Baxter & Associates, Ltd.

MID-CAP GROWTH PORTFOLIO

The investment objective of the Mid-Cap Growth Portfolio is to provide long-term capital appreciation by investing primarily in equity securities of medium sized companies. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio seeks to achieve its investment objective by investing in equity securities of medium sized companies. Under normal market conditions, the Portfolio will invest at least 65% of its total assets in equity securities of companies having stock market capitalizations of $500 million to $5 billion. Such companies are typically well established but have not reached full maturity and may offer significant growth potential. The adviser will seek to identify companies which, in its opinion, will experience accelerating earnings, increased institutional ownership or strong price appreciation relative to their industries and broad market averages.

All of the equity securities in which the Portfolio invests are traded on registered exchanges or on the over-the-counter market in the United States. Equity securities include common stock, warrants and rights to subscribe to common stock and, in general, any security that is convertible into or exchangeable for common stock.

Any assets not invested in equity securities of medium sized companies as described above are invested in equity securities of larger, more established companies or in fixed income securities or short-term money market securities (including securities issued or guaranteed by the United States Government, its agencies or instrumentalities, repurchase agreements backed by such securities, certificates of deposit, bankers' acceptances and high-grade commercial paper). Fixed income securities will only be purchased if they are rated investment grade or better at time of purchase. Investment grade bonds include securities rated at least BBB by S&P or Baa by Moody's. Securities rated BBB or Baa may be regarded as having speculative characteristics. Short-term money market securities, certificates of deposit, banker's acceptances and commercial paper will only be purchased if they have been given one of the two top ratings by a major rating service, or if unrated, are of comparable quality as determined by the adviser. For temporary defensive purposes, when the adviser determined that market conditions warrant, the Portfolio may invest all or a portion of its assets in the securities or instruments described in this paragraph. To

the extent the Portfolio is engaged in temporary defensive investments, the Portfolio will not be pursuing its investment objective.

The Portfolio's investment adviser is Nicholas-Applegate Capital Management.

CAPITAL APPRECIATION PORTFOLIO

The investment objective of the Capital Appreciation Portfolio is capital appreciation. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio invests primarily in a diversified portfolio of common stocks (and securities convertible into common stock) which, in the adviser's opinion, are undervalued in the marketplace at the time of purchase. Dividend income is an incidental consideration compared to growth of capital. In selecting securities for the Portfolio, the adviser will evaluate factors it believes are likely to affect long-term capital appreciation such as the issuer's background, industry position, historical returns on equity and experience and qualifications of the management team. The adviser will rotate the Portfolio holdings between various market sectors based on economic analysis of the overall business cycle. Under normal conditions, at least 65% of the Portfolio will be invested in common stocks.

Under normal circumstances the Portfolio, to the extent not invested in the securities described above, may invest in investment grade bonds. Investment grade bonds include securities rated BBB by S&P or Baa by Moody's, which may be regarded as having speculative characteristics.

For the fiscal year ended September 30, 1994, as a result of its investment strategies, the Portfolio's annual portfolio turnover rate is 109%. Such a turnover rate may result in higher transaction costs and may result in additional taxes for shareholders. See "Taxes."

The Portfolio's investment adviser is SunBank Capital Management, N.A.

EQUITY INCOME PORTFOLIO

The investment objective of the Equity Income Portfolio (the "Portfolio") is to provide current income and, as a secondary objective, moderate capital appreciation. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio invests primarily in a diversified portfolio of common stocks. The investment approach employed by the adviser emphasizes income producing common stocks which, in general, have above-average dividend yields relative to the stock market as measured by the S&P 500 Index. Under normal conditions, at least 65% of the

Portfolio will be invested in common stocks.

Under normal circumstances the Portfolio, to the extent not invested in the securities described above, may invest in investment grade bonds. Investment grade bonds include securities rated BBB by S&P or Baa by Moody's, which may be regarded as having speculative characteristics.

The Portfolio's investment adviser is Merus Capital Management.

BALANCED PORTFOLIO

The investment objective of the Balanced Portfolio is total return consistent with the preservation of capital. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio invests in a combination of undervalued common stocks and fixed income securities. The Portfolio seeks strong total return in all market conditions, with a special emphasis on minimizing interim declines during falling equity markets. The Portfolio primarily invests in large capitalization equity securities, intermediate-maturity fixed income securities and money market instruments.

Under normal conditions, the Portfolio will invest a minimum of 25% of its total assets in investment grade fixed income securities. Such securities consist of bonds, debentures, notes and similar obligations or instruments which constitute a security and evidence indebtedness. Fixed income securities in which the Portfolio may invest are United States Government securities, mortgage-backed securities, corporate bonds and bank obligations.

The Portfolio will invest in corporate bonds rated BBB or higher by S&P or Baa or higher by Moody's at the time of purchase. Corporate bonds rated BBB or Baa are considered to be medium grade obligations that have some speculative characteristics.

The Portfolio will, under normal conditions, invest between 30% and 70% of its total assets in common stocks, depending upon the adviser's assessment of market conditions. When the adviser believes that equity markets are overvalued, the common stock exposure will be at the low end of this range. The adviser expects that equity exposure will average 60% over time. The Portfolio may also invest in U.S. dollar denominated securities of foreign issuers (including American Depositary Receipts that are traded on registered exchanges or listed on NASDAQ).

The average maturity of the fixed income securities in the Portfolio will, under normal circumstances, be approximately five years, although this will vary with changing market conditions.

For the fiscal year ended September 30, 1994, as a result of its investment strategies, the equity and fixed-income portions of the Portfolio's annual turnover rate is 128% and 197%, respectively. Such turnover rates may result in higher transaction costs and may result in additional taxes for shareholders. See "Taxes."

The Portfolio's investment adviser is SunBank Capital Management, N.A.

GENERAL INVESTMENT POLICIES

Borrowing

The Large Cap Value, Large Cap Growth, Small Cap Value, Capital Appreciation, Equity Income and Balanced Portfolios may borrow money. Interest paid on such borrowings will reduce a Portfolio's income. A Portfolio will not purchase securities while its borrowings exceed 5% of its total assets.

Common Stocks	The Large Cap Value, Large Cap Growth, Small Cap Value, Small Cap Growth, Capital Appreciation and Equity Income Portfolios will invest in common stocks; provided however, that the Large Cap Value, Small Cap Growth, Capital Appreciation, Equity Income and Capital Growth Portfolio may only invest in such securities if they are listed on registered exchanges or actively traded in the over-the-counter market.
Investment Company Securities	The Large Cap Growth and Small Cap Value Portfolios may purchase investment company securities, which will result in the layering of expenses. There are legal limits on the amount of such securities that may be acquired by a Portfolio.
Money Market Instruments	In order to meet liquidity needs, the Large Cap Value, Large Cap Growth, Small Cap Value, Capital Appreciation and Equity Income Portfolios may hold cash reserves and invest in money market instruments (including securities issued or guaranteed by the United States Government, its agencies or instrumentalities, repurchase agreements, certificates of deposit and bankers' acceptances issued by banks or savings and loan associations having net assets of at least $500 million as of the end of their most recent fiscal year and high-grade commercial paper) related at time of purchase in the top two categories by a national rating agency or determined to be of comparable quality by the adviser at the time of purchase.
Options and Futures	The Large Cap Growth and Small Cap Value Portfolios may purchase or write options, futures and options on futures. Risks associated with investing in options and futures may include lack of a liquid secondary market, trading restrictions which may be imposed by an exchange and government regulations which may restrict trading.
Securities Lending	Each Portfolio may lend its assets to qualified investors for the purpose of realizing additional income; however, the Large Cap Value, Small Cap Growth, Mid-Cap Growth, Capital Appreciation, Equity Income, Balanced, Capital Growth and Real Estate Securities Portfolios each may only lend up to 20% of its total assets for such purpose.
Temporary Defensive Investments	For temporary defensive purposes when the adviser determines that market conditions warrant, each of the Large Cap Value, Capital Appreciation, Equity Income and Balanced Portfolios may invest up to 100% of its assets in the money market instruments described above and other long- and short-term debt instruments which are rated A or higher by S&P or Moody's at the time of purchase, and may hold a portion of its assets in cash. To

	the extent any Portfolio is engaged in temporary defensive investments, the Portfolio will not be pursuing its investment objective.
U.S. Dollar Denominated Securities of Foreign Issuers	The Large Cap Value, Large Cap Growth, Small Cap Value, Capital Appreciation and Equity Income Portfolios may also invest in U.S. dollar denominated securities of foreign issuers (including American Depositary Receipts, that are traded on registered exchanges or listed on NASDAQ).
U.S. Treasury Receipts	The Large Cap Value, Capital Appreciation and Equity Income Portfolios may invest in receipts involving U.S. Treasury Obligations.
When-Issued and	All Portfolios may invest in when-issued and delayed

Delayed-Delivery Securities

delivery securities.

For additional information regarding the Portfolios' permitted investments, see "Description of Permitted Investments and Risk Factors" in this Prospectus and "Description of Permitted Investments" in the Statement of Additional Information. For a description of the above ratings, see "Description of Ratings" in the Statement of Additional Information.

INVESTMENT LIMITATIONS

The investment objective and investment limitations are fundamental policies of the Portfolios. Fundamental policies cannot be changed with respect to the Trust or a Portfolio without the consent of the holders of a majority of the Trust's or that Portfolio's outstanding shares.

No Portfolio may:

1. Purchase securities of any issuer (except securities issued or guaranteed by the United States Government, its agencies or instrumentalities) if, as a result, more than 5% of total assets of the Portfolio would be invested in the securities of such issuer. This restriction applies to 75% of each Portfolio's total assets.
2. Purchase any securities which would cause more than 25% of the total assets of the Portfolio to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in obligations issued or guaranteed by the United States Government or its agencies and instrumentalities.

The foregoing percentage limitations will apply at the time of the purchase of a security. Additional investment limitations are set forth in the Statement of Additional Information.

THE MANAGER AND SHAREHOLDER SERVICING AGENT

SEI Financial Management Corporation ("SFM"), provides the Trust with overall management services, regulatory reporting, all necessary office space, equipment, personnel and facilities, and acts as transfer agent, dividend disbursing agent and shareholder servicing agent.

For its management services, SFM is entitled to a fee which is calculated daily and paid monthly at an annual rate of .50% of the average daily net assets of the Small Cap Growth, Mid-Cap Growth, Capital Appreciation, Equity and Balanced Portfolios and at an annual rate of .35% of the average daily net assets of the Large Cap Value, Large Cap Growth and Small Cap Value Portfolios. In addition, SFM has voluntarily agreed to waive a portion of its fees in order to limit the operating expenses of each Portfolio in order to limit the operating expenses of a Portfolio's ProVantage Funds shares on an annualized basis. Any such waiver is voluntary and may be terminated at any time in SFM's sole discretion.

For the fiscal year ended September 30, 1994, the Portfolios paid SFM the following management fees (based on their average daily net assets after fee waivers): Large Cap Value Portfolio, .50%; Small Cap Growth Portfolio, .40%; Capital Appreciation Portfolio, .45%; Equity Income Portfolio, .46%; Balanced Portfolio, .34%; and Mid-Cap Growth Portfolio, .37%.

THE ADVISERS AND SUB-ADVISERS

The following entities serve as investment advisers (each, an "Adviser," and collectively, the "Advisers") and investment sub-advisers (each, a "Sub-Adviser," and collectively, the "Sub-Advisers") to the Trust's Portfolios. Each Adviser has general oversight responsibility for the investment advisory services provided to the Portfolios, including formulating the Portfolios' investment policies and analyzing economic trends affecting the Portfolios. In addition, SFM, where it is the Adviser to a Portfolio, is responsible for managing the allocation of assets among the Portfolio's Sub-Advisers and directing and evaluating the investment services provided by the Sub-Advisers, including their adherence to each Portfolio's respective investment objective and policies and each Portfolio's investment performance. In accordance with each Portfolio's investment objective and policies, and under the supervision of the Adviser and the Trust's Board of Trustees, each Sub-Adviser and certain

....

(SYMBOL APPEARS HERE) INVESTMENT ADVISER

A Portfolio's advisers manage the investment activities and are responsible for the performance of the Portfolio. The advisers conduct investment research, executes investment strategies based on an assessment of economic and market conditions, and determine which securities to buy, hold or sell.

....

Advisers are responsible for the day-to-day investment management of all or a discrete portion of the assets of a Portfolio. The Advisers and Sub-Advisers are authorized to make investment decisions for the Portfolios and place orders on behalf of the Portfolios to effect the investment decisions made.

The Glass-Steagall Act restricts the securities activities of banks such as the Bank of California, Sun Trust Banks, Inc. and Mellon Bank Corporation, but federal regulatory authorities permit such banks to provide investment advisory and other services to mutual funds. Should this position be challenged successfully in court or reversed by legislation, the Trust might have to make other investment advisory arrangements.

In addition, SFM monitors the compliance of each adviser with regulatory and tax regulations, such as portfolio concentration and diversification. For the most part compliance with these requirements by each adviser with respect to its portion of a Portfolio will assure compliance by the Portfolio as a whole. In addition, SFM monitors positions taken by each adviser and will notify advisers of any developing situations to help ensure that investments do not run afoul of the short-short test or the wash sale rules. To the extent that having multiple advisers responsible for investing separate portions of a Portfolio's assets creates the need for coordination among the advisers, there is an increased risk that the Portfolio will not comply with these regulatory and tax requirements.

It is possible that different advisers for the same Portfolio could take opposite actions within a short period of time with respect to a particular security. For example, one adviser could buy a security for the Portfolio and shortly thereafter another adviser could sell the same security from the portion of the Portfolio allocated to it. If in these circumstances the securities could be transferred from one adviser's portion of the Portfolio to another, the Portfolio could avoid transaction costs and could avoid creating possible wash sales and short-short gains under the Internal Revenue Code of 1986, as amended (the "Code"). Such transfers are not practicable but the advisers and SFM do not believe that there will be material adverse effects on a Portfolio as a result. First, it does not appear likely that there will be substantial overlap in the securities acquired for a Portfolio by the various advisers. Moreover, the advisers would probably only rarely engage in the types of offsetting transactions described above, especially within a short time period. Therefore, it is a matter of speculation whether offsetting transactions would result in any significant increases in transaction costs or have significant tax consequences. With respect to the latter, SFM and the advisers have established procedures with respect to the short-short test which are designed to prevent realization of short-short gains in excess of Code limits. It is true that wash sales could occur in spite of the efforts of SFM, but the Board of Trustees believes that the benefits of using multi-managers outweighs the consequences of any wash sales.

SFM is currently seeking an exemptive order from the Securities and Exchange Commission (the "SEC") that would permit SFM, with the approval of the Trust's Board of

Trustees, to retain sub-advisers for a Portfolio without submitting the sub-advisory agreement to a vote of the Portfolio's shareholders. If granted, the exemptive relief will permit the non-disclosure of amounts payable by SFM under such sub-advisory agreements. The Trust will notify shareholders in the event of any change in the identity of the sub-adviser for a Portfolio. Until or unless this exemptive order is granted, if one of the advisers is terminated or departs from a Portfolio with multiple advisers, the Portfolio will handle such termination or departure in one of two ways. First, the Portfolio may propose that a new investment adviser be appointed to manage that portion of the Portfolio's assets managed by the departing adviser. In this case, the Portfolio would be required to submit to the vote of the Portfolio's shareholders the approval of an investment advisory contract with the new adviser. In the alternative, the Portfolio may decide to allocate the departing adviser's assets among the remaining advisers. This allocation would not require new investment advisory contracts with the remaining advisers, and consequently no shareholder approval would be necessary.

1838 INVESTMENT ADVISORS, L.P.

1838 Investment Advisors, L.P. ("1838") serves as investment sub-adviser of the Small Cap Value Portfolio. 1838 is a Delaware limited partnership located at 100 Matsonford Road, Radnor, Pennsylvania. As of September 30, 1994, 1838 managed $3.5 billion in assets in large and small capitalization equity, fixed income and balanced account portfolios. Clients include corporate employee benefit plans, municipalities, endowments, foundations, jointly trusteed plans, insurance companies and wealthy individuals.

Edwin B. Powell, Holly. L. Guthrie and Joseph T. Doyle, have served as the portfolio managers to the Small Cap Value Portfolio since its inception. These individuals work as a team and share responsibility. Mr. Doyle has been with 1838 since 1988. Mr. Powell and Ms. Guthrie joined 1838 in 1994. Mr. Powell managed small cap equity portfolios for Provident Capital Management from 1987 to 1994. Ms. Guthrie managed small cap equity portfolios for Provident Capital Management from 1992 to 1994. Prior to that she was employed by CoreStates Investment Advisers from 1987 to 1992 as an equity analyst and portfolio manager.

1838 is entitled to a fee, which is calculated daily and paid monthly by SFM at an annual rate of .50%. 1838 may waive all or a portion of its fee in order to limit the operating expenses of the Portfolio. 1838 reserves the right, in its sole discretion, to terminate any such voluntary fee waiver at any time. During the fiscal year ended September 30, 1994, the Small Cap Value Portfolio had not commenced operations and therefore 1838 did not receive an advisory fee.

ALLIANCE CAPITAL MANAGEMENT, L.P.

Alliance Capital Management, L.P. ("Alliance") serves as investment sub-adviser to a portion of the assets of the Large Cap Growth Portfolio. Alliance is a registered investment adviser organized as a Delaware limited partnership which originated as Alliance Capital Management Corporation in 1971. Alliance Capital Management Corporation ("ACML"), an indirect wholly-owned subsidiary of The Equitable Life Assurance Society of the United

States, is the general partner of Alliance. As of September 30, 1994, Alliance managed over $123 billion in assets. The principal business address of Alliance is 1345 Avenue of the Americas, New York, New York 10105.

John L. Blundin, Senior Vice President of Alliance and Christopher Toub, Vice President of Alliance, each serve as portfolio managers to the Large Cap Growth Portfolio. Mr. Blundin joined Alliance in 1972. Mr. Toub joined Alliance in 1992 as a portfolio manager with the Disciplined Growth Group. Prior to 1992, Mr. Toub was with Marcus, Schloss, a private investment partnership, as an analyst and portfolio manager. Prior to Marcus, Schloss, Mr. Toub worked at Bear Stearns in proprietary trading. Both Mr. Blundin and Mr. Toub have served as portfolio managers of the Large Cap Growth Portfolio since its inception.

Alliance is entitled to the greater of $125,000 or a fee which is paid monthly by SFM at an annual rate of .25% of the market value of investments of that portion of the Large Cap Growth Portfolio which Alliance manages. Alliance may waive all or a portion of its fees in order to limit the operating expenses of the Portfolio. Alliance reserves the right, in its sole discretion, to terminate any such voluntary fee waiver at any time. During the fiscal year ended September 30, 1994, the Large Cap Growth Portfolio had not commenced operations and therefore Alliance did not receive an advisory fee.

IDS ADVISORY GROUP INC.

IDS Advisory Group Inc. ("IDS") serves as investment sub-adviser to a portion of the assets of the Large Cap Growth Portfolio. IDS is a registered investment adviser and wholly-owned subsidiary of IDS Financial Corporation. Effective January 1, 1995, IDS Financial Corporation will be changing its name to American Express Financial Corporation. As of September 30, 1994, IDS managed over $20.5 billion in assets with $5 billion of this total in large capitalization growth domestic equities. IDS was founded in 1972 to manage tax-exempt assets for institutional clients. The principal business address of IDS is IDS Tower 10, Minneapolis, MN 55440.

The day-to-day management of IDS' portion of the Large Cap Growth Portfolio's investments is the responsibility of a committee composed of the eight investment portfolio managers of the equity investment team. No individual person is primarily responsible for making recommendations to that committee. IDS has served as sub-adviser to the Large Cap Growth Portfolio since its inception.

IDS is entitled to the greater of $125,000 or a fee which paid monthly by SFM at an annual rate of .25% of the market value of investments of that portion of the Large Cap Growth Portfolio which IDS manages. IDS may waive all or a portion of its fee in order to limit the operating expenses of the Portfolio. IDS reserves the right, in its sole discretion, to terminate any such voluntary fee waiver at any time.

During the fiscal year ended, the Large Cap Growth Portfolio had not commenced operations and therefore IDS did not receive an advisory fee.

INVESTMENT ADVISERS, INC.

Investment Advisers, Inc. ("Investment Advisers") serves as investment adviser of the Small Cap Growth Portfolio, which is also advised by Nicholas-Applegate Capital Management and Pilgrim Baxter & Associates Ltd. Investment Advisers has operated as a professional investment counseling firm which provides investment services to employee benefit plans, endowments, foundations, other institutions and investment companies since 1947. As of September 30, 1994, Investment Advisers had discretionary management authority with respect to approximately $13 billion of assets. The principal business address of Investment Advisers is 3700 First Bank Place, 601 Second Avenue, Minneapolis, Minnesota 55402. Investment Advisers is an indirect majority owned subsidiary of publicly held TSB Group, Plc, a United Kingdom financial services group.

Until July 1, 1993, Investment Advisers was the sole investment adviser and provided the review, supervision and management of the Portfolio's investment program and related reporting and recordkeeping services for all of the Portfolio's assets. As of July 1, 1993, Nicholas-Applegate Capital Management and Pilgrim Baxter & Associates Ltd. began to serve as investment advisers for portions of the Portfolio's assets not advised by Investment Advisers. As more fully described below, the Board of Trustees allocates the Portfolio's assets among the three investment advisers from time to time. Performance for each investment adviser will be based upon the performance of the assets of the entire Portfolio.

The method of allocating the assets of the Portfolio from cash inflows and outflows resulting from shareholder purchases and redemptions among the three Advisers is as follows: For net shareholder purchases, the resulting cash inflow will be allocated among all three Advisers in proportion to the amount by which each Adviser's assets under management is below their allocated capacity. In the case of net shareholder redemptions, all three Advisers will contribute to net redemptions in proportion to their assets under management as a percentage of total assets in the Portfolio. The Board of Trustees will retain, in its discretion, the authority to increase or decrease the assets assigned to each Adviser. SFM, as Manager for the Trust, will allocate the assets of the Portfolio among the three Advisers pursuant to the above formula and the direction of the Board of Trustees.

Rick D. Leggott, CFA, is a Senior Vice President and Equity Portfolio Manager of Investment Advisers. In 1986 he became Senior Investment Officer for Central Trust Company, N.A. Mr. Leggott joined the adviser as a growth stock specialist in 1987, and has been a Portfolio Manager of the Small-Cap Growth Portfolio since April 20, 1992.

Investment Advisers is entitled to a fee, which is calculated daily and paid monthly by the Portfolio, at an annual rate of .50% of the average daily net assets assigned to it. For the fiscal year ended September 30, 1994, the Portfolio paid each of the Portfolio's advisers an advisory fee of .50% of the average daily net assets under such adviser's investment management. Of this .50% advisory fee, .18% of the Portfolio's total average daily net assets was paid to Investment Advisers.

LSV ASSET MANAGEMENT

LSV Asset Management ("LSV") serves as investment sub-adviser to a portion of the assets of the Large Cap Value Portfolio. LSV is a registered investment adviser organized as a Delaware general partnership in which an affiliate of SFM owns a majority interest. The general partners of LSV have developed quantitative value analysis methodology and software which has been used to manage assets over the past 5 years. Although LSV has never managed investment companies, the portfolio identified by the model has been implemented by three institutional clients with aggregate assets invested of approximately $455 million including $15 million in a portfolio of U.S. securities. The principal business address of LSV is 181 W. Madison Avenue, Chicago, IL 60602.

Investment decisions are made by the quantitative computer model. Josef Lakonishok, Andrei Shleifer and Robert Vishny, officers of LSV, will on a continuous basis monitor the quantitative analysis model and based on their ongoing research and statistical analysis make adjustments to the model. Securities are identified for purchase or sale by the portfolio based upon the computer model and defined variance tolerances. Purchases and sales are effected by LSV based upon the output from the model.

LSV, is entitled to a fee, which is paid monthly by SFM, at an annual rate of .20% of the market value of investments under its management. During the fiscal year ended September 30, 1994, LSV did not serve as investment sub-adviser for the Portfolio and therefore did not receive an advisory fee.

MELLON EQUITY ASSOCIATES

As of December 16, 1994, Mellon Equity Associates ("Mellon") serves as investment sub-adviser to a portion of the assets of the Large Cap Value Portfolio. Between October 3, 1994 and December 16, 1994, Mellon acted as investment adviser of the Portfolio. Prior to October 3, 1994, the Portfolio was advised by Duff & Phelps Investment Management Company ("Duff & Phelps"). Mellon is a Pennsylvania business trust founded in 1987, whose sole beneficiary is MBC Investments Corporation, a wholly-owned subsidiary of the Mellon Bank Corporation. Mellon is a professional investment counseling firm that provides investment management services to the equity and balanced pension, public fund and profit-sharing investment management markets, and is a registered investment adviser under the Investment Advisers Act of 1940, as amended (the "1940 Act"). Mellon had discretionary management authority with respect to approximately $6.2 billion of assets as of September 30, 1994. Mellon's predecessor organization had managed domestic equity tax-exempt institutional accounts since 1947. The business address for Mellon is 500 Grant Street, Suite 3700, Pittsburgh, PA 15258.

William P. Rydell and Robert A. Wilk are the Portfolio Managers for Mellon's portion of the Large Cap Value Portfolio. Mr. Rydell is the President and Chief Executive Officer of Mellon, and has been managing individual and collectivized portfolios at Mellon since 1982. Mr. Wilk is a Senior Vice President and Portfolio Manager of Mellon, and has been involved with securities analysis, quantitative research, asset allocation, trading and client services at Mellon since April 1990. Prior to joining Mellon, Mr. Wilk was in charge

of portfolio management and conducted quantitative research for another investment subsidiary of Mellon Bank Corporation, Triangle Portfolio Associates.

Mellon is entitled to a fee, which is paid monthly by SFM, at an annual rate of .20% of the market value of investments under its management. During the fiscal year ended September 30, 1994, Mellon did not act as investment adviser or sub-adviser for the Portfolio and therefore did not receive an advisory fee.

MERUS CAPITAL MANAGEMENT

Merus Capital Management ("Merus") serves as investment adviser for the Equity Income Portfolio. In addition, as of December 16, 1994, Merus also serves as the investment sub-adviser to a portion of the assets of the Large Cap Value Portfolio. Merus is a division of the Bank of California and provides equity and fixed-income management services to a broad array of corporate and municipal clients. As of September 30, 1994, Merus had discretionary management authority with respect to approximately $6.2 billion of assets. The principal business address of Merus is 475 Sansome Street, San Francisco, California 94111.

Each Portfolio is managed by a committee.

Merus is entitled to a fee, which is calculated daily and paid monthly by the Equity Income Portfolio, at an annual rate of .25% of the average daily net assets of the Portfolio. Merus may reduce its fee, in its discretion, for competitive purposes. In addition, Merus has voluntarily agreed to waive fees in an amount that operates to limit net operating expenses. Merus reserves the right, in its sole discretion, to terminate this voluntary fee waived at any time. For the fiscal year ended September 30, 1994, the Portfolio paid Merus an advisory fee of .23% of its average daily net assets after fee waivers.

Merus is entitled to a fee, which is paid monthly by SFM, at an annual rate of .20% of the market value of investments of the Large Cap Value Portfolio under its management. During the fiscal year ended September 30, 1994, Merus did not act as investment sub-adviser for the Portfolio and therefore did not receive an advisory fee.

NICHOLAS-APPLEGATE CAPITAL MANAGEMENT

Nicholas-Applegate Capital Management ("Nicholas-Applegate") is one of three advisers to the Small Cap Growth Portfolio and is responsible for a portion of the assets of the Portfolio. Nicholas-Applegate also serves as the Mid-Cap Growth Portfolio's investment adviser.

Nicholas-Applegate has operated as an investment adviser which provides investment services to employee benefit plans, endowments, foundations, other institutions and investment companies since April 20, 1987. As of September 30, 1994, Nicholas-Applegate had discretionary management authority with respect to approximately $13 billion of assets. The principal business address of Nicholas-Applegate is 600 West Broadway, 29th Floor, San Diego, CA 92101. Nicholas-Applegate, pursuant to a partnership agreement, is controlled by its general partner Nicholas-Applegate Capital Management, Inc., a corporation owned by Arthur E. Nicholas.

Nicholas-Applegate manages its portion of the Small Cap Growth Portfolio through its systematic-driven management team under the supervision of Mr. Nicholas, founder and Chief Investment Officer of the firm. Nicholas-Applegate's systems driven investment team, headed by Lawrence S. Speidell, is primarily responsible for the day-to-day management of the Portfolio since March 1994. Mr. Speidell has been a Portfolio Manager and investment team leader with Nicholas-Applegate since March 1994. Prior to joining Nicholas-Applegate, he was an institutional portfolio manager with Batterymarch Financial Management.

Nicholas-Applegate is entitled to a fee which is calculated daily and paid monthly by the Small Cap Growth Portfolio, at an annual rate of .50% of the average daily net assets assigned to it. For the fiscal year ended September 30, 1994, the Portfolio paid each of the

Portfolio's advisers an advisory fee of .50% of the daily net assets under such Adviser's investment management. Of this .50% advisory fee, .16% of the Portfolio's total average daily net assets was paid to Nicholas-Applegate.

John C. Marshall, Jr. has been the Portfolio manager for the Mid-Cap Growth Portfolio since February, 1993. Mr. Marshall joined Nicholas-Applegate in March 1989 and is a Partner and Portfolio Manager and lead manager in the Mid-Cap area. Prior to joining Nicholas-Applegate, Mr. Marshall was a Managing Director of Equity Investment at Pacific Century Advisers from May 1986 until March 1989.

Nicholas-Applegate is entitled to a fee which is calculated daily and paid monthly by the Mid-Cap Growth Portfolio, at an annual rate of .45% of the average daily net assets of the Portfolio up to the first $100 million in assets and .40% on assets in excess of $100 million. For the fiscal year ended September 30, 1994, the Mid-Cap Growth Portfolio paid Nicholas-Applegate an advisory fee of .45% of its average daily net assets.

PILGRIM BAXTER & ASSOCIATES, LTD.

Pilgrim Baxter & Associates, Ltd. ("Pilgrim Baxter") is one of three advisers to the Small Cap Growth Portfolio and is responsible for a portion of assets of the Portfolio.

Pilgrim Baxter has operated as a professional investment counseling firm which provides investment services to pension and profit-sharing plans, other institutions and investment companies since November, 1982. As of September 30, 1994, Pilgrim Baxter had discretionary management authority with respect to approximately $106 billion of assets. The principal business address of Pilgrim Baxter is 1255 Drummers Lane, Suite 300, Wayne, Pennsylvania 19087. Pilgrim Baxter is an "S" Corporation with majority ownership by Gary L. Pilgrim (42.35%) and Harold J. Baxter (42.35%). Pilgrim Baxter has entered into certain agreements with Framlington (USA), Inc., the U.S. affiliate of a British financial services firm, Framlington Group plc ("Framlington"), for sharing the profits of Pilgrim Baxter's advisory contract income (not including income from Pilgrim Baxter's advisory agreement with the Fund and sub-advisory fees from other mutual funds).

John F. Force, CFA, joined Pilgrim Baxter in January 1993 and is a portfolio Manager/Analyst. Mr. Force has been managing the Small Cap Growth Portfolio since July 1, 1993 when Pilgrim Baxter became an adviser. Prior to joining Pilgrim Baxter, Mr. Force was Vice President/Portfolio Manager at Fiduciary Management Associates from July 1987 to September 1992.

Pilgrim Baxter is entitled to a fee which is calculated daily and paid monthly by the Portfolio, at an annual rate of .50% of the average daily net assets assigned to it. For the fiscal year ended September 30, 1994, the Portfolio paid each of the Portfolio's advisers an advisory fee of .50% of the daily net assets under such Adviser's investment management. Of this .50% advisory fee, .16% of the Portfolio's total average daily net assets was paid to Pilgrim Baxter.

SEI FINANCIAL MANAGEMENT CORPORATION

SEI Financial Management Corporation ("SFM") serves as investment adviser for the Large Cap Value Large Cap Growth and Small Cap Value Portfolios. SFM is a wholly-owned subsidiary of SEI Corporation ("SEI"), a financial services company located in Wayne, Pennsylvania. The principal business address of SFM is 680 East Swedesford Road, Wayne, Pennsylvania 19087-1658. SEI was founded in 1968 and is a leading provider of investment solutions to banks, institutional investors, investment advisers and insurance companies. Affiliates of SFM have provided consulting advice to institutional investors for more than 20 years, including advice regarding selection and evaluation of investment advisers. Although SFM has not previously been the investment adviser to an investment company, it currently serves as manager or administrator to more than 26 investment companies, including more than 220 portfolios, which investment companies have more than $42 billion in assets as of September 30, 1994.

For these advisory services SFM is entitled to a fee, which is calculated daily and paid monthly, at an annual rate of .35% of the Large Cap Value Portfolio's average daily net assets, at an annual rate of .40% of the Large Cap Growth Portfolio's average daily net assets and at an annual rate of .65% of the Small Cap Value Portfolio's average daily net assets. During the fiscal year ended September 30, 1994, SFM did not act as investment adviser for the Large Cap Value Portfolio and therefore did not receive an advisory fee.

SUNBANK CAPITAL MANAGEMENT, N.A.

SunBank Capital Management, N.A. ("SunBank") serves as investment adviser for the Capital Appreciation and Balanced Portfolios. SunBank was established in 1934 and is owned by SunBank, Inc., a wholly-owned subsidiary of Sun Trust Banks, Inc., a bank holding company. As of September 30, 1994, SunBank had discretionary management authority with respect to approximately $11.75 billion of assets. The principal business address of SunBank is P.O. Box 3808, Orlando, Florida 32802.

Anthony R. Gray is Chairman and Chief Investment Officer of SunBank since 1987, and has managed the Capital Appreciation and Balanced Portfolios since their inception. Mr. Gray joined SunBank in 1979 as Director of Research of the Trust Investment Division.

John D. Race is President of SunBank and has managed the Balanced Portfolio since its inception.

SunBank is entitled to a fee, which is calculated daily and paid monthly, at an annual rate of .25% of the Capital Appreciation and Balanced Portfolios' average daily net assets. For the fiscal year ended September 30, 1994, each Portfolio paid SunBank an advisory fee of .25% of its average daily net assets.

DISTRIBUTION

SEI Financial Services Company (the "Distributor"), a wholly-owned subsidiary of SEI, serves as each Portfolio's distributor pursuant to a distribution agreement (the "Distribution Agreement") with the Trust. Each Portfolio has a distribution plan for its shares (the "Class A Plan," "Class B Plan" and the "ProVantage Plan;" collectively, "the Plans") pursuant to Rule 12b-1 under the 1940 Act. The Trust intends to operate the Plans in accordance with their terms and with the NASD rules concerning sales charges.

The Distribution Agreement and the Plans provide for reimbursement for expenses incurred by the Distributor in an amount not to exceed .30% of the average daily net assets of each Portfolio on an annualized basis, provided those expenses are permissible as to both type and amount under a budget, adopted by the Board of Trustees, including those Trustees who are not interested persons and have no financial interest in the Plans or any related agreement ("Qualified Trustees"). The Class B and ProVantage Plans provide for additional payments for distribution and shareholder services as described below.

Distribution-related expenses reimbursable to the Distributor under the budget include those related to the costs of advertising and sales materials, the costs of federal and state securities law registration, advertising expenses and promotional and sales expenses including expenses for travel, communication and compensation and benefits for sales personnel. The Trust is not obligated to reimburse the Distributor for any expenditures in excess of the approved budget. Currently the budget (shown here as a percentage of daily net assets) for each Portfolio is as follows: Large Cap Value Portfolio, .05%; Large Cap Growth Portfolio, .07%; Small Cap Value Portfolio, .07%; Small Cap Growth Portfolio, .06%; Mid-Cap Growth Portfolio, .08%; Capital Appreciation Portfolio, .05%; Equity Income Portfolio, .06%; and Balanced Portfolio, .11%. Distribution expenses not attributable to a specific portfolio are allocated among each of the portfolios of the Trust based on average net assets.

The ProVantage Plan, in addition to providing for the reimbursement payments described above, provides for payments to the Distributor at an annual rate of .30% of the Portfolio's average daily net assets attributable to ProVantage Funds shares. This additional payment may be used to compensate financial institutions that provide distribution-related services to their customers. These additional payments are characterized as "compensation," and are not directly tied to expenses incurred by the Distributor; the payments the Distributor receives during any year may therefore be higher or lower than its actual expenses.

These additional payments may be used to compensate the Distributor for its services in connection with distribution assistance or provision of shareholder services, and some or all of it may be used to pay financial institutions and intermediaries such as banks, savings and loan associations, insurance companies, and investment counselors, broker-dealers and the Distributor's affiliates and subsidiaries for services or reimbursement of expenses incurred in connection with distribution assistance or provision of shareholder services. If the Distributor's expenses are less than its fees under the ProVantage Plan, the Trust will still pay the full fee and the Distributor will realize a profit, but the Trust will not be obligated to pay in excess of the full fee, even if the Distributor's actual expenses are higher. Currently the Distributor is taking this additional compensation payment under the ProVantage Plan at a rate of only .25% of each Portfolio's average daily net assets, on an annualized basis, attributable to ProVantage Funds shares.

The Class B Plan is similar to the ProVantage Plan described above except that for each Portfolio, the Class B Plan provides for additional payments to the Distributor of .30% and it applies only to Class B shares. It is possible that an institution may offer different classes of shares to its customers and thus receive different compensation with respect to different classes. These financial institutions may also charge separate fees to their customers.

The Trust may also execute brokerage or other agency transactions through the Distributor for which the Distributor may receive usual and customary compensation.

In addition, the Distributor may, from time to time in its sole discretion, institute one or more promotional incentive programs, which will be paid by the Distributor from the sales charge it receives or from any other source available to it. Under any such program, the Distributor will provide promotional incentives, in the form of cash or other compensation, including merchandise, airline vouchers, trips and vacation packages, to all dealers selling shares of the Portfolios. Such promotional incentives will be offered uniformly to all dealers and predicated upon the amount of shares of the Portfolios sold by the dealer.

PERFORMANCE

From time to time, a Portfolio may advertise yield and total return. These figures will be based on historical earnings and are not intended to indicate future performance. No representation can be made concerning actual yield or future returns. The yield of a Portfolio refers to the income generated by a hypothetical investment, net of any sales charge imposed in the case of some of the ProVantage Funds shares, in such Portfolio over a thirty day period. This income is then "annualized," i.e., the income over thirty days is assumed to be generated over one year and is shown as a percentage of the investment.

The total return of a Portfolio refers to the average compounded rate of return on a hypothetical investment for designated time periods, assuming that the entire investment is redeemed at the end of each period and assuming the reinvestment of all dividend and capital gain distributions.

The performance of Class A shares will normally be higher than for Class B shares and ProVantage Fund shares because of the additional distribution expenses charged to Class B shares and additional distribution expenses, transfer agency expenses and sales charges (when applicable) charged to ProVantage Funds shares.

A Portfolio may periodically compare its performance to that of other mutual funds tracked by mutual fund rating services (such as Lipper Analytical) or by financial and business publications and periodicals, broad groups of comparable mutual funds, unmanaged indices which may assume investment of dividends but generally do not reflect deductions for administrative and management costs or to other investment alternatives. A Portfolio may quote Morningstar, Inc., a service that ranks mutual funds on the basis of risk-adjusted performance. A Portfolio may use long-term performance of these capital markets to demonstrate general long-term risk versus reward scenarios and could include the value of a hypothetical investment in any of the capital markets. A Portfolio may also quote financial and business publications and periodicals as they relate to fund management, investment philosophy and investment techniques.

A Portfolio may quote various measures of volatility and benchmark correlation in advertising and may compare these measures to those of other funds. Measures of volatility attempt to compare historical share price fluctuations or total returns to a benchmark while measures of benchmark correlation indicate how valid a comparative benchmark might be. Measures of volatility and correlation are calculated using averages of historical data and cannot be calculated precisely.

Additional performance information is set forth in the 1994 Annual Report to Shareholders and is available upon request and without charge by calling 1-800-437-6016.

TAXES

The following summary of federal income tax consequences is based on current tax laws and regulations, which may be changed by legislative, judicial, or administrative action. No attempt has been made to present a detailed explanation of the federal, state, or local income tax treatment of a Portfolio or its shareholders. Accordingly, shareholders are urged to consult their tax advisers regarding specific questions as to federal, state, and local income taxes. State and local tax consequences of an investment in a Portfolio may differ from the federal income tax consequences described below. Additional information concerning taxes is set forth in the Statement of Additional Information.

Tax Status of

A Portfolio is treated as a separate entity for federal income the Portfolios tax purposes and is not combined with the Trust's other portfolios. Each Portfolio intends to continue to qualify for the special tax treatment afforded regulated investment companies ("RICs") under Subchapter M of the Code, so as to be relieved of federal income tax on net investment

....

(SYMBOL APPEARS HERE) TAXES

You must pay taxes on your Portfolio's earnings, whether you take your payments in cash or additional shares.

....

company taxable income (including the excess, if any, of net short-term capital gains over net long-term capital losses) and net capital gains (the excess of net long-term capital gains over net short-term capital losses) distributed to shareholders.

....

(SYMBOL APPEARS HERE) DISTRIBUTIONS

A Portfolio distributes income dividends and capital gains. Income dividends represent the earnings from the Portfolio's investments; capital gains distributions occur when a Portfolio sells investments for more than the original purchase price.

....

Tax Status of Distributions

Each Portfolio distributes substantially all of its net investment company taxable income to shareholders. Dividends from a Portfolio's net investment company taxable income are taxable to its shareholders as ordinary income (whether received in cash or in additional shares), and generally will qualify for the dividends-received deduction for corporate shareholders to the extent that such dividends are derived from dividends paid on domestic and equity securities owned by the Portfolio. Distributions of net capital gains are taxable to shareholders as long-term capital gains regardless of how long a shareholder has held shares. Each Portfolio will make annual reports to shareholders of the federal income tax status of all distributions. Dividends declared by a Portfolio in October, November or December of any year and payable to shareholders of record on a date in such a month will be deemed to have been paid by the Portfolio and received by the shareholders on December 31 of the year declared if paid by a Portfolio at any time during the following January.

Each Portfolio intends to make sufficient distributions to avoid liability for the federal excise tax.

Sale, exchange, or redemption of a Portfolio's shares generally is a taxable transaction to the shareholder.

ADDITIONAL INFORMATION ABOUT DOING BUSINESS WITH US

Business Days

You may buy, sell or exchange shares on days which the New York Stock Exchange is open for business (a "Business Day"). All purchase, exchange and redemption requests received in "good order" will be effective as of the Business Day received by the Distributor as long as the Distributor receives the order and, in the case of a purchase request, payment before 4:00 p.m. Eastern time. Otherwise the purchase will be effective when payment is received. Broker-dealers may have separate arrangements with ProVantage Funds.

If an exchange request is for shares of a portfolio whose net asset value is calculated as of a time earlier than 4:00 p.m. Eastern time, the

....

(SYMBOL APPEARS HERE) BUY, EXCHANGE AND SELL REQUESTS ARE IN "GOOD ORDER" WHEN:

. The account number and portfolio name are shown
. The amount of the transaction is specified in dollars or shares
. Signatures of all owners appear exactly as they are registered on the account
. Any required signature guarantees (if applicable) are included
. Other supporting legal documents (as necessary) are present

....

exchange request will not be effective until the next Business Day. Anyone who wishes to make an exchange must have received a current prospectus of the portfolio into which the exchange is being made before the exchange will be effected.

Minimum Investments The minimum initial investment in a Portfolio's ProVantage Funds Class is $1,000; however, the minimum investment may be waived at the Distributor's discretion. All subsequent purchases must be at least $100 ($25 for payroll deductions authorized pursuant to pre-approved payroll deduction plans). The Trust reserves the right to reject a purchase order when the Distributor determines that it is not in the best interest of the Trust or its shareholders to accept such order.

Maintaining a Minimum Account Balance Due to the relatively high cost of handling small investments, a Portfolio reserves the right to redeem, at net asset value, the shares of any shareholder if, because of redemptions of shares by or on behalf of the shareholder, the account of such shareholder in a Portfolio has a value of less than $1,000, the minimum initial purchase amount. Accordingly, an investor purchasing shares of a Portfolio in only the minimum investment amount may be subject to such involuntary redemption if he or she thereafter redeems any of these shares. Before a Portfolio exercises its right to redeem such shares and to send the proceeds to the shareholder, the shareholder will be given notice that the value of the shares in his or her account is less than the minimum amount and will be allowed 60 days to make an additional investment in a Portfolio in an amount that will increase the value of the account to at least $1,000. See "Purchase and Redemption of Shares" in the Statement of Additional Information for examples of when the right of redemption may be suspended.

At various times, a Portfolio may be requested to redeem shares for which it has not yet received good payment. In such circumstances, redemption proceeds will be forwarded upon collection of payment for the shares; collection of payment may take 10 or more days. A Portfolio intends to pay cash for all shares redeemed, but under abnormal conditions that make payment in cash unwise, payment may be made wholly or partly in portfolio securities with a market value equal to the redemption price. In such cases, an investor may incur brokerage costs in converting such securities to cash.

Net Asset Value

An order to buy shares will be executed at a per share price equal to the net asset value next determined after the receipt of the purchase order by the Distributor plus any applicable sales charge (the "offering price"). No certificates representing shares will be issued. An order to sell shares will be executed at the net asset value per share next determined after receipt and effectiveness of a request for redemption in good order. Net asset value per share is determined as of 4:00 p.m. Eastern time on each Business Day. Payment to shareholders for shares redeemed will be made within 7 days after receipt by the Distributor of the redemption order.

How the Net Asset Value is Determined

The net asset value per share of a Portfolio is determined by dividing the total market value of its investments and other assets, less any liabilities, by the total number of outstanding shares of the Portfolio. A Portfolio may use a pricing service to obtain the last

sale price of each equity or fixed income security held by a Portfolio. In addition, portfolio securities are valued at the last quoted sales price for such securities, or, if there is no such reported sales price on the valuation date, at the most recent quoted bid price. Unlisted securities for which market quotations are readily available are valued at the most recent quoted bid price. Net asset value per share is determined daily as of 4:00 p.m. Eastern time on each Business Day. Purchases will be made in full and fractional shares of a Portfolio calculated to three decimal places. Although the methodology and procedures for determining net asset value per share are identical for both classes of a Portfolio, the net asset value per share of one class may differ from that of another class because of the different distribution fees charged to each class and the incremental transfer agent fees charged to ProVantage Funds shares.

Rights of Accumulation

In calculating the sales charge rates applicable to current purchases of a Portfolio's shares, a "single purchaser" (defined below) is entitled to combine current purchases with the current market value of previously purchased shares of a Portfolio and ProVantage Funds shares of other portfolios ("Eligible Portfolios") which are sold subject to a comparable sales charge.

The term "single purchaser" refers to (i) an individual, (ii) an individual and spouse purchasing shares of a Portfolio for their own account or for trust or custodial accounts of their minor children, or (iii) a fiduciary purchasing for any one trust, estate or fiduciary account, including employee benefit plans created under Sections 401 or 457 of the Code, including related plans of the same employer. Furthermore, under this provision, purchases by a single purchaser shall include purchases by an individual for his/her own account in combination with (i) purchases of that individual and spouse for their joint accounts or for trust and custodial accounts for their minor children and (ii) purchases of that individual's spouse for his/her own account. To be entitled to a reduced sales charge based upon shares already owned, the investor must ask the Distributor for such reduction at the time of purchase and provide the account number(s) of the investor, the investor and spouse, and their children (under age 21). A Portfolio may amend or terminate this right of accumulation at any time as to subsequent purchases.

Letter of Intent

By submitting a Letter of Intent (the "Letter") to the Distributor, a single purchaser may purchase shares of a Portfolio and the other Eligible Portfolios during a 13-month period at the reduced sales charge rates applying to the aggregate amount of the intended purchases stated in the Letter. The Letter may apply to purchases made up to 90 days before the date of the Letter. It is the shareholder's responsibility to notify SFM at the time the Letter is submitted that there are prior purchases that may apply.

Five percent (5%) of the total amount intended to be purchased will be held in escrow by the Distributor until such purchase is completed within the 13-month period. The 13-month period begins on the date of the earliest purchase. If the intended investment is not completed, SFM will surrender an appropriate number of the escrowed shares for redemption in order to realize the difference between the sales charge on the

shares purchased at the reduced rate and the sales charge otherwise applicable to the total shares purchased. Such purchasers may include the value of all their shares of the Portfolio and of any of the other Eligible Portfolios in the Trust towards the completion of such Letter.

Sales Charge Waivers

No sales charge is imposed on shares of a Portfolio: (i) issued in plans of reorganization, such as mergers, asset acquisitions and exchange offers, to which the Trust is a party; (ii) sold to dealers or brokers that have a sales agreement with the Distributor ("participating broker-dealers"), for their own account or for retirement plans for employees or sold to present employees of dealers or brokers that certify to the Distributor at the time of purchase that such purchase is for their own account; (iii) sold to present employees of SEI or one of its affiliates, or of any entity which is a current service provider to the Trust; (iv) sold to tax-exempt organizations enumerated in Section 501(c) of the Code or qualified employee benefit plans created under Sections 401, 403(b)(7) or 457 of the Code (but not IRAs or SEPs); (v) sold to fee-based clients of banks, financial planners and investment advisers; (vi) sold to clients of trust companies and bank trust departments; (vii) sold to trustees and officers of the Trust; (viii) purchased with proceeds from the recent redemption of another class of shares of a portfolio of the Trust, SEI Tax-Exempt Trust, SEI International Trust, SEI Liquid Asset Trust, or SEI Daily Income Trust; (ix) purchased with the proceeds from the recent redemption of shares of a mutual fund with similar investment objectives and policies (other than ProVantage Funds) for which a front-end sales charge was paid (this offer will be extended, to cover shares on which a deferred sales charge was paid, if permitted under regulatory authorities' interpretation of applicable law); or (x) sold to participants or members of certain affinity groups, such as trade associations or membership organizations, which have entered into arrangements with the Distributor. Members of affinity groups should see the Statement of Additional Information or call the Distributor for further information regarding sales charge waivers.

An investor relying upon any of the categories of waivers of sales charges must qualify such waiver in advance of the purchase with the Distributor or the financial institution or the intermediary through which shares are purchased by the investor.

The waiver of the sales charge under circumstances (viii) and (ix) above applies only if the following conditions are met: the purchase must be made within 60 days of the redemption; the Distributor must be notified in writing by the investor, or his or her agent, at the time a purchase is made; and a copy of the investor's account statement showing such redemption must accompany such notice. The waiver policy with respect to the purchase of shares through the use of proceeds from a recent redemption as described in clauses (viii) and (ix) above will not be continued indefinitely and may be discontinued at any time without notice. Investors should call the Distributor at 1-800-437-

6016 to confirm availability prior to initiating the procedures described in clauses (viii) and (ix) above.

The Distributor has also entered into arrangements with certain affinity groups and broker-dealers wherein their members or clients are entitled to percentage-based discounts from the otherwise applicable sales charge for purchase of ProVantage Funds shares. Currently the percentage-based discount is either 10% or 50%. Members of affinity groups and clients of broker-dealers should see the Statement of Additional Information or contact the Distributor for further information.

Signature Guarantees	SFM may require that the signatures on the written request be guaranteed. You should be able to obtain a signature guarantee from a bank, broker, dealer, certain credit unions, securities exchange or association, clearing agency or savings association. Notaries public cannot guarantee signatures. The signature guarantee requirement will be waived if all of the following conditions apply: (1) the redemption is for not more than $5,000 worth of shares, (2) the redemption check is payable to the shareholder(s) of record, and (3) the redemption check is mailed to the shareholder(s) at his or her address of record. The Trust and SFM reserve the right to amend these requirements without notice.
Telephone/Wire Instructions	Redemption orders may be placed by telephone. Neither the Trust nor SFM will be responsible for any loss, liability, cost or expense for acting upon wire instructions or upon telephone instructions that it reasonably believes to be genuine. The Trust and SFM will each employ reasonable procedures to confirm that instructions communicated by telephone are genuine, including requiring a form of personal identification prior to acting upon instructions received by telephone and recording telephone instructions. If market conditions are extraordinarily active, or other extraordinary circumstances exist, and you experience difficulties placing redemption orders by telephone, you may wish to consider placing your order by other means.
Systematic Withdrawal Plan ("SWP")	Please note that if withdrawals exceed income dividends, your invested principal in the account will be depleted. Thus, depending upon the frequency and amounts of the withdrawal payments and/or any fluctuations in the net asset value per share, your original investment could be exhausted entirely. To participate in the SWP, you must have your dividends automatically reinvested. You may change or cancel the SWP at any time, upon written notice to SFM.
How to Close your Account	An account may be closed by providing written notice to SFM. You may also close your account by telephone if you have previously elected telephone options on your account application.

GENERAL INFORMATION

The Trust	The Trust was organized as a Massachusetts business trust under a Declaration of Trust dated October 20, 1986. The Declaration of Trust permits the Trust to offer separate portfolios of shares and different classes of each portfolio. Shareholders may purchase shares in the Portfolio through three separate classes: Class A and Class B shares and ProVantage Funds, which provide for variation in distribution and transfer agent costs,

voting rights, dividends, and the imposition of a sales charge on the ProVantage Funds. This Prospectus offers the ProVantage Funds shares of the Trust's Large Cap Value, Small Cap Growth, Capital Appreciation, Equity Income, Balanced and Mid-Cap Growth Portfolios. Additional information pertaining to the Trust may be obtained by writing to SEI Financial Management Corporation, 680 East Swedesford Road, Wayne, Pennsylvania 19087 or by calling 1-800-437-6016. All consideration received by the Trust for shares of any portfolio and all assets of such portfolio belong to that portfolio and would be subject to the liabilities related thereto.

The Trust pays its expenses, including fees of its service providers, audit and legal expenses, expenses of preparing prospectuses, proxy solicitation materials and reports to shareholders, costs of custodial services and registering the shares under federal and state securities laws, pricing, insurance expenses, including litigation and other extraordinary expenses, brokerage costs, interest charges, taxes and organization expenses.

Trustees of the Trust The management and affairs of the Trust are supervised by the Trustees under the laws of the Commonwealth of Massachusetts. The Trustees have approved contracts under which, as described above, certain companies provide essential management services to the Trust.

Voting Rights Each share held entitles the shareholder of record to one vote. Each portfolio of the Trust will vote separately on matters relating solely to that Portfolio. Each class will vote separately on matters pertaining to its distribution plan. As a Massachusetts business trust, the Trust is not required to hold annual meetings of shareholders but approval will be sought for certain changes in the operation of the Trust and for the election of Trustees under certain circumstances. In addition, a Trustee may be removed by the remaining Trustees or by shareholders at a special meeting called upon written request of shareholders owning at least 10% of the outstanding shares of the Trust. In the event that such a meeting is requested the Trust will provide appropriate assistance and information to the shareholders requesting the meeting.

Reporting The Trust issues unaudited financial information semi-annually and audited financial statements annually. The Trust furnishes proxy statements and other reports to shareholders of record.

Shareholder Inquiries Shareholder inquiries should be directed to the Manager, SEI Financial Management Corporation, P.O. Box 451, Wayne, Pennsylvania 19087.

Dividends Substantially all of the net investment income (exclusive of capital gains) of the Portfolios is periodically declared and paid as a dividend. Currently, capital gains, if any, are distributed at least annually.

Shareholders automatically receive all income dividends and capital gain distributions in additional shares at the net asset value next determined following the record date, unless the shareholder has elected to take such payment in cash. Shareholders may change their election by providing written notice to SFM at least 15 days prior to the distribution.

Dividends and capital gains of each Portfolio are paid on a per-share basis. The value of each share will be reduced by the amount of any such payment. If shares are purchased shortly before the record date for a dividend or capital gains distributions, a shareholder will pay the full price for the share and receive some portion of the price back as a taxable dividend or distribution.

The dividends on ProVantage Funds shares will normally be lower than on Class A and Class B shares of a Portfolio because of the additional distribution and transfer agent expenses charged to ProVantage Funds shares.

Counsel and Independent Morgan, Lewis & Bockius serves as counsel to the Trust. Price Waterhouse LLP serves as the independent accountants

Accountants of the Trust.

Custodian and Wire Agent CoreStates Bank, N.A., Broad and Chestnut Streets, P.O. Box 7618, Philadelphia, PA 19101 (the "Custodian"), acts as custodian of the Trust's assets. The Custodian holds cash, securities and other assets of the Trust as required by the 1940 Act.

DESCRIPTION OF PERMITTED INVESTMENTS AND RISK FACTORS

The following is a description of the permitted investment practices for the Portfolios, and the associated risk factors:

American Depositary Receipts ("ADRs") ADRs are securities, typically issued by U.S. financial institution (a "depositary"), that evidence ownership interests in a security or a pool of securities issued by a foreign issuer and deposited with the depositary. ADRs may be available through "sponsored" or "unsponsored" facilities. A sponsored facility is established jointly by the issuer of the security underlying the receipt and a depositary, whereas an unsponsored facility may be established by a depositary without participation by the issuer of the underlying security.

Holders of unsponsored depositary receipts generally bear all the costs of the unsponsored facility. The depositary of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the issuer of the deposited security or to pass through, to the holders of the receipts, voting rights with respect to the deposited securities. ADRs that are not listed or traded on an exchange can be purchased over the counter. Prices for such ADRs are determined by the market makers. The Large Cap Growth and Small Cap Value Portfolios may invest in ADRs.

Bankers' Acceptances Bankers' acceptances are bills of exchange or time drafts drawn on and accepted by a commercial bank. Bankers' acceptances are used by corporations to finance the shipment and storage of goods. Maturities are generally six months or less. All Portfolios may invest in bankers' acceptances.

Certificates of Deposit Certificates of deposit are interest bearing instruments with a specific maturity. They are issued by banks and savings and loan institutions in exchange for the deposit of funds and

normally can be traded in the secondary market prior to maturity. Certificates of deposit with penalties for early withdrawal will be considered illiquid. All Portfolios may invest in certificates of deposit.

Commercial Paper Commercial paper is a term used to describe unsecured short-term promissory notes issued by banks, municipalities, corporations and other entities. Maturities on these issues vary from a few to 270 days. All Portfolios may invest in commercial paper.

Convertible Securities Convertible securities are corporate securities that are exchangeable for a set number of another security at a prestated price. Convertible securities typically have characteristics similar to both fixed-income and equity securities. Because of the conversion feature, the market value of a convertible security tends to move with the market value of the underlying stock. The value of a convertible security is also affected by prevailing interest rates, the credit quality of the issuer, and any call provisions. All Portfolios except the Balanced Portfolio may invest in convertible securities.

Derivatives Derivatives are securities that derive their value from other securities. The following are considered derivative securities: options on futures, futures, options (e.g., puts and calls) swap agreements, mortgage-backed securities (CMOs, REMICs, IOs and POs), when-issued securities and forward commitments, floating and variable rate securities, convertible securities, "stripped" U.S. Treasury securities (e.g., Receipts and STRIPs), privately issued stripped securities (e.g., TGRs, TRs and CATS). See elsewhere in this "Description of Permitted Investments and Risk Factors" for discussions of these various instruments, and see "Investment Objectives and Policies" for more information about any investment policies and limitations applicable to their use.

Equity Securities

Equity securities represent ownership interests in a company or corporation and include common stock, preferred stock, and warrants and other rights to acquire such instruments. Investments in common stocks are subject to market risks which may cause their prices to fluctuate over time. The value of convertible securities is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. Changes in the value of portfolio securities will not necessarily affect cash income derived from these securities but will affect a Portfolio's net asset value.

Investments in small capitalization companies involves greater risk than is customarily associated with larger, more established companies due to the greater business risks of small size, limited markets and financial resources, narrow product lines and the frequent lack of depth of management. The securities of small companies are often traded over-the-counter and may not be traded in volumes typical on a national securities exchange. Consequently, the securities of smaller companies may have limited market stability and may be subject to more abrupt or erratic market movements than securities of larger, more established growth companies or the market averages in general. All Portfolios may invest in equity securities.

Fixed Income Securities

Fixed income securities are debt obligations issued by corporations, municipalities and other borrowers. The market value of fixed income investments will generally change in response to interest rate changes and other factors. During periods of falling interest rates, the values of outstanding fixed income securities generally rise. Conversely, during periods of rising interest rates, the values of such securities generally decline. Moreover, while securities with longer maturities tend to produce higher yields, the prices of longer maturity securities are also subject to greater market fluctuations as a result of changes in interest rates. Changes by recognized agencies in the rating of any fixed income security and in the ability of an issuer to make payments of interest and principal will also affect the value of these investments. Changes in the value of portfolio securities will not affect cash income derived from these securities but will affect a Portfolio's net asset value. All Portfolios may invest in fixed income securities.

Futures and Options on Futures

Futures contracts provide for the future sale by one party and purchase by another party of a specified amount of a specific security at a specified future time and at a specified price. An option on a futures contract give the purchaser the right, in exchange for a premium, to assume a position in a futures contract at a specified exercise price during the term of the option. A Portfolio may use futures contracts and related options for bona fide hedging purposes, to offset changes in the value of securities held or expected to be acquired or be disposed of, to minimize fluctuations in foreign currencies, or to gain exposure to a particular market or instrument. A Portfolio will minimize the risk that it will be unable to close out a futures contract which are traded on national futures exchanges.

Stock index futures are futures contracts for various stock indices that are traded on registered securities exchanges. A stock index futures contract obligates the seller to deliver (and the purchaser to take) an amount of cash equal to a specific dollar amount times the difference between the value of a specific stock index at the close of the last trading day of the contract and the price at which the agreement is made.

There are risks associated with these activities, including the following: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates, (2) there may be an imperfect or no correlation between the changes in market value of the securities held by the Portfolio and the prices of futures and options on future, (3) there may not be a liquid secondary market for a futures contract or option, (4) trading restrictions or limitations may be imposed by an exchange, and (5) government regulations may restrict trading in futures contracts and futures option. The Large Cap Growth and Small Cap Value Portfolios may invest in futures and options on futures.

Money Market Instruments

Money market securities are high-quality, dollar-denominated, short-term debt instruments. They consist of: (i) bankers' acceptances, certificates of deposits, notes and time deposits of highly-rated U.S. banks and U.S. branches of foreign banks; (ii) U.S. Treasury Obligations and instrumentalities of the U.S. Government; (iii) high-quality

commercial paper issued by U.S. and foreign corporation; (iv) debt obligations with a maturity of one year or less issued by corporations with outstanding high-quality commercial papers; and (v) repurchase agreements involving any of the foregoing obligations entered into with highly-rated banks and broker-dealers. All Portfolios may invest in money market securities.

Mortgage-Backed Securities

Mortgage-backed securities are instruments that entitle the holder to a share of all interest and principal payments from mortgages underlying the security. The mortgages backing these securities include conventional thirty-year fixed-rate mortgages, graduated payment mortgages, and adjustable rate mortgages. During periods of declining interest rates, prepayment of mortgages underlying mortgage-backed securities can be expected to accelerate. Prepayment of mortgages which underlie securities purchased at a premium often results in capital losses, while prepayment of mortgages purchased at a discount often results in capital gains. Because of these unpredictable prepayment characteristics, it is often not possible to predict accurately the average life or realized yield of a particular issue.

Government Pass-Through Securities: These are securities that are issued or guaranteed by a U.S. Government agency representing an interest in a pool of mortgage loans. The primary issuers or guarantors of these mortgage-backed securities are GNMA, FNMA and FHLMC. FNMA and FHLMC obligations are not backed by the full faith and credit of the U.S. Government as GNMA certificates are, but FNMA and FHLMC securities are supported by the instrumentalities' right to borrow from the U.S. Treasury. GNMA, FNMA and FHLMC each guarantees timely distributions of interest to certificate holders. GNMA and FNMA also each guarantees timely distributions of scheduled principal. FHLMC has in the past guaranteed only the ultimate collection of principal of the underlying mortgage loan; however, FHLMC now issues mortgage-backed securities (FHLMC Gold PCs) which also guarantee timely payment of monthly principal reductions. Government and private guarantees do not extend to the securities' value, which is likely to vary inversely with fluctuations in interest rates.

Private Pass-Through Securities: These are mortgage-backed securities issued by a non-governmental entity, such as a trust. These securities include collateralized mortgage obligations ("CMOs") and real estate mortgage investment conduits ("REMICs") that are rated in one of the top two rating categories. While they are generally structured with one or more types of credit enhancement, private pass-through securities typically lack a guarantee by an entity having the credit status of a governmental agency or instrumentality.

Collateralized Mortgage Obligations ("CMOs"): CMOs are debt obligations or multiclass pass-through certificates issued by agencies or instrumentalities of the U.S. Government or by private originators or investors in mortgage loans. In a CMO, series of bonds or certificates are usually issued in multiple classes. Principal and interest paid on the underlying mortgage assets may be allocated among the several classes of a series of a CMO in a variety of ways. Each class of a CMO, often referred to as a "tranche," is issued

with a specific fixed or floating coupon rate and has a stated maturity or final distribution date. Principal payments on the underlying mortgage assets may cause CMOs to be retired substantially earlier than their stated maturities or final distribution dates, resulting in a loss of all or part of any premium paid.

REMICs: A REMIC is a CMO that qualifies for special tax treatment under the Internal Revenue Code and invests in certain mortgages principally secured by interests in real property. Investors may purchase beneficial interests in REMICs, which are known as "regular" interests, or "residual" interests. Guaranteed REMIC pass-through certificates ("REMIC Certificates") issued by FNMA or FHLMC represent beneficial ownership interests in a REMIC trust consisting principally of mortgage loans or FNMA, FHLMC or GNMA-guaranteed mortgage pass-through certificates. For FHLMC REMIC Certificates, FHLMC guarantees the timely payment of interest, and also guarantees the payment of principal as payments are required to be made on the underlying mortgage participation certificates. FNMA REMIC Certificates are issued and guaranteed as to timely distribution of principal and interest by FNMA.

Parallel Pay Securities; PAC Bonds: Parallel pay CMOs and REMICS are structured to provide payments of principal on each payment date to more than one class. These simultaneous payments are taken into account in calculating the stated maturity date or final distribution date of each class, which must be retired by its stated maturity date or final distribution date, but may be retired earlier. Planned Amortization Class CMOs ("PAC Bonds") generally require payments of a specified amount of principal on each payment date. PAC Bonds are always parallel pay CMOs with the required principal payment on such securities having the highest priority after interest has been paid to all classes.

REITs: REITs are trusts that invest primarily in commercial real estate or real estate-related loans. The value of interests in REITs may be affected by the value of the property owned or the quality of the mortgages held by the trust.

Stripped Mortgage-Backed Securities ("SMBs"): SMBs are usually structured with two classes that receive specified proportions of the monthly interest and principal payments from a pool of mortgage securities. One class may receive all of the interest payments and is thus termed an interest-only class ("IO"), while the other class may receive all of the principal payments and is thus termed the principal-only class ("PO"). The value of IOs tends to increase as rates rise and decrease as rates fall; the opposite is true of POs. SMBs are extremely sensitive to changes in interest rates because of the impact thereon of prepayment of principal on the underlying mortgage securities can experience wide swings in value in response to changes in interest rates and associated mortgage prepayment rates. During times when interest rates are experiencing fluctuations, such securities can be difficult to price on a consistent basis. The market for SMBs is not as fully developed as other markets; SMBs therefore may be illiquid.

Risk Factors: Due to the possibility of prepayments of the underlying mortgage instruments, mortgage-backed securities generally do not have a known maturity. In the

absence of a known maturity, market participants generally refer to an estimated average life. An average life estimate is a function of an assumption regarding anticipated prepayment patterns, based upon current interest rates, current conditions in the relevant housing markets and other factors. The assumption is necessarily subjective, and thus different market participants can produce different average life estimates with regard to the same security. There can be no assurance that estimated average life will be a security's actual average life. The Balanced Portfolio may invest in mortgaged-backed securities.

Options

A put option gives the purchase of the option the right to sell, and the writer of the option the obligation to buy, the underlying security at any time during the option period. A call option gives the purchaser of the option the right to buy, and the writer of the option the obligation to sell, the underlying security at any time during the option period. The premium paid to the writer is the consideration for undertaking the obligations under the option contract. The initial purchase (sale) of an option contract is an "opening transaction." In order to close out an option position, a portfolio may enter into a "closing transaction," which is simply the sale (purchase) of an option contract on the same security with the same exercise price and expiration date as the option contract originally opened.

A Portfolio may purchase put and call options to protect against a decline in the market value of the securities in its portfolio or to anticipate an increase in the market value of securities that a Portfolio may seek to purchase in the future. A Portfolio purchasing put and call options pays a premium therefore. If price movements in the underlying securities are such that exercise of the options would not be profitable for the Portfolio, loss of the premium paid may be offset by an increase in the value of the Portfolio's securities or by a decrease in the cost of acquisition of securities by the Portfolio.

A Portfolio may write covered call options as a means of increasing the yield on its portfolio and as a means of providing limited protection against decreases in its market value. When a portfolio sells an option, if the underlying securities do not increase or decrease to a price level that would make the exercise of the option profitable to the holder thereof, the option generally will expire without being exercised and the Portfolio will realize as profit the premium received for such option. When a call option of which a portfolio is the writer is exercised, the Portfolio will be required to sell the underlying securities to the option holder at the strike price, and will not participate in any increase in the price of such securities above the strike pries. When a put option of which the Portfolio is the writer is exercised, the Portfolio will be required to purchase the underlying securities at the strike price, which may be in excess of the market value of such securities.

A Portfolio may purchase and write options on an exchange or over-the-counter. Over-the-counter options ("OTC options") differ from exchange-traded options in several respects. They are transacted directly with dealers and not with a clearing corporation, and

therefore entail the risk of non-performance by the dealer. OTC options are available for a greater variety of securities and for a wider range of expiration dates and exercise prices than are available for exchange-traded options. Because OTC options are not traded on an exchange, pricing is done normally by reference to information from a market maker. It is the position of the Securities and Exchange Commission that OTC options are generally illiquid.

A Portfolio may purchase and write put and call options on indices and enter into related closing transactions. Put and call options on indices are similar to options on securities except that options on an index give the holder the right to receive, upon exercise of the option, an amount of cash if the closing level of the underlying index is greater than (or less than, in the case of puts) the exercise price of the option. This amount of cash is equal to the difference between the closing price of the index and the exercise price of the option, expressed in dollars multiplied by a specified number. Thus, unlike options on individual securities, all settlements are in cash, and gain or loss depends on price movements in the particular market represented by the index generally, rather than the price movements in individual securities. A Portfolio may choose to terminate an option position by entering into a closing transaction. The ability of a Portfolio to enter into closing transactions depends upon the existence of a liquid secondary market for such transactions.

All options written on indices must be covered. When a Portfolio writes an option on an index, it will establish a segregated account containing cash or liquid high grade debt securities with its custodian in an amount at least equal to the market value of the option and will maintain the account while the option is open or will otherwise cover the transaction.

Risk Factors: Risks associated with options transactions include: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (2) there may be an imperfect correlation between the movement in prices of options and the securities underlying them; (3) there may not be a liquid secondary market for option; and (4) while a Portfolio will receive a premium when it writes covered call options, it may not participate fully in a rise in the market value of the underlying security. The Large Cap Growth and Small Cap Value Portfolios may invest in options.

Receipts

Receipts are sold as zero coupon securities which means that they are sold at a substantial discount and redeemed at face value at their maturity date without interim cash payments of interest or principal. This discount is accreted over the life of the security, and such accretion will constitute the income earned on the security for both accounting and tax purposes. Because of these features, such securities may be subject to greater interest rate volatility than interest paying Permitted Investments. The Large Cap Value, Capital Appreciation and Equity Income Portfolios may invest in receipts. See also "Taxes."

Repurchase Agreements	Arrangements by which a Portfolio obtains a security and simultaneously commits to return the security to the seller at an agreed upon price (including principal and interest) on an agreed upon date within a number of days from the date of purchase. The Custodian or its agent will hold the security as collateral for the repurchase agreement. Collateral must be maintained at a value at least equal to 102% of the purchase price. The Portfolio bears a risk of loss in the event the other party defaults on its obligations and the Portfolio is delayed or prevented from its right to dispose of the collateral securities or if the Portfolio realizes a loss on the sale of the collateral securities. The adviser will enter into repurchase agreements on behalf of the Portfolio only with financial institutions deemed to present minimal risk of bankruptcy during the term of the agreement based on guidelines established and periodically reviewed by the Trustees. Repurchase agreements are considered loans under the 1940 Act. All Portfolios may invest in repurchase agreements.
Securities Lending	In order to generate additional income, a Portfolio may lend securities which it owns pursuant to agreement requiring that the loan be continuously secured by collateral consisting of cash, securities of the U.S. Government or its agencies equal to at least 100% of the market value of the securities lent. A Portfolio continues to receive interest on the securities lent while simultaneously earning interest on the investment of cash collateral. Collateral is marked to market daily. There may be risks of delay in recovery of the securities or even loss of rights in the collateral should the borrower of the securities fail financially or become insolvent.
Securities of Foreign Issuers	There are certain risks connected with investing in foreign securities. These include risks of adverse political and economic developments (including possible governmental seizure or nationalization of assets), the possible imposition of exchange controls or other governmental restrictions, less uniformity in accounting and reporting requirements, the possibility that there will be less information on such securities and their issuers available to the public, the difficulty of obtaining or enforcing court judgments abroad, restrictions on foreign investments in other jurisdictions, difficulties in effecting repatriation of capital invested abroad, and difficulties in transaction settlements and the effect of delay on shareholder equity. Foreign securities may be subject to foreign taxes, and may be less marketable than comparable U.S. securities. The value of a Portfolio's investments denominated in foreign currencies will depend on the relative strengths of those currencies and the U.S. dollars, and a Portfolio may be affected favorably or unfavorably by changes in the exchange rates or exchange control regulations between foreign currencies and the U.S. dollar. Changes in foreign currency exchange rates also may affect the value of dividends and interest earned, gains and losses realized on the sale of securities and net investment income and gains if any, to be distributed to shareholders by a Portfolio. The Large Cap Value, Large Cap Growth, Small Cap Value, Capital Appreciation, Equity Income and Balanced Portfolios may invest in securities of foreign issuers.

Time Deposits	Time deposits are non-negotiable receipts issued by a bank in exchange for the deposit of funds. Like a certificate of deposit, it earns a specified rate of interest over a definite period of time; however, it cannot be traded in the secondary market. Time deposits are considered to be illiquid securities. The Large Cap Growth and Small Cap Value Portfolios may invest in time deposits.

U.S. Government Agencies	Obligations issued or guaranteed by agencies of the U.S. Government, including, among others, the Federal Farm Credit Bank, the Federal Housing Administration and the Small Business Administration, and obligations issued or guaranteed by instrumentalities of the U.S. Government, including, among others, the Federal Home Loan Mortgage Corporation, the Federal Land Banks and the U.S. Postal Service. Some of these securities are supported by the full faith and credit of the U.S. Treasury (e.g., Government National Mortgage Association), others are supported by the right of the issuer to borrow from the Treasury (e.g., Federal Farm Credit Bank), while still others are supported only by the credit of the instrumentality (e.g., Federal National Mortgage Association). Guarantees of principal by agencies or instrumentalities of the U.S. Government may be a guarantee of payment at the maturity of the obligation so that in the event of a default prior to maturity there might not be a market and thus no means of realizing on the obligation prior to maturity. Guarantees as to the timely payment of principal and interest do not extend to the value or yield of these securities nor to the value of the Fund's shares. All Portfolios may invest in obligations issued or guaranteed by U.S. government agencies.
U.S. Treasury Obligations	U.S. Treasury obligations consist of bills, notes and bonds issued by the U.S. Treasury and separately traded interest and principal component parts of such obligations that are transferable through the Federal book-entry Principal Securities ("STRIPS"). All Portfolios may invest in U.S. Treasury Obligations.
U.S. Treasury Receipts	U.S. Treasury receipts are interests in separately traded interest and principal component parts of U.S. Treasury obligations that are issued by banks or brokerage firms and are created by depositing U.S. Treasury notes and obligations into a special account at custodian bank. The custodian holds the interest and principal payments for the benefit of the registered owners of the certificates of receipts. The custodian arranges for the issuance of the certificates or receipts evidencing ownership and maintains the register. Receipts include "Treasury Receipts" ("TRs"), "Treasury Investment Growth Receipts" ("TIGRs") "Liquid Yield Option Notes" ("LYONs") and "Certificates of Accrual on Treasury Securities" ("CATS"). TIGRs and CATS are interests in private proprietary accounts while TRs and STRIPS are interest in accounts sponsored by the U.S. Treasury. The Large Cap Value, Capital Appreciation and Equity Income Portfolios may invest in U.S. Treasury receipts.
Variable and Floating Rate Instruments	Certain obligations may carry variable or floating rates of interest, and may involve a conditional or unconditional demand feature. Such instruments bear interest at rates which are not fixed, but which vary with changes in specified market rates or indices. The

	interest rates on these securities may be reset daily, weekly, quarterly or some other reset period, and may have a floor or ceiling on interest rate changes. There is a risk that the current interest rate on such obligations may not accurately reflect existing market interest rates. A demand instrument with a demand notice exceeding seven days may be considered illiquid if there is no secondary market for such security. All Portfolios may invest in variable and floating rate instruments.
Warrants	Warrants are instruments giving holders the right, but not the obligation, to buy shares of a company at a given price during a specified period. The Large Cap Growth, Small Cap Value, Small Cap Growth and Mid-Cap Growth Portfolios may invest in warrants.
When-Issued and	When-issued or delayed delivery basis transactions involve

Delayed Delivery Securities — the purchase of an instrument with payment and delivery taking place in the future. Delivery of and payment for these securities may occur a month or more after the date of the purchase commitment. A Portfolio will maintain with the custodian a separate account with liquid high grade debt securities or cash in an amount at least equal to these commitments. The interest rate realized on these securities is fixed as of the purchase date and no interest accrues to a Portfolio before settlement. These securities are subject to market fluctuation due to changes in market interest rates and it is possible that the market value at the time of settlement could be higher or lower than the purchase price if the general level of interest rates has changed. Although a Portfolio generally purchases securities on a when-issued or forward commitment basis with the intention of actually acquiring securities, a Portfolio may dispose of a when-issued security or forward commitment prior to settlement if it deems appropriate. All Portfolios may invest in when-issued and delayed delivery securities.

Additional information on permitted investments and risk factors can be found in the Statement of Additional Information.

SEI INSTITUTIONAL MANAGED TRUST
JANUARY 31, 1995

CORE FIXED INCOME PORTFOLIO
BOND PORTFOLIO
HIGH YIELD BOND PORTFOLIO

Please read this Prospectus carefully before investing, and keep it on file for future reference.

A Statement of Additional Information dated January 31, 1995 has been filed with the Securities and Exchange Commission and is available without charge through the Distributor, SEI Financial Services Company, 680 East Swedesford Road, Wayne, PA 19087 or by calling 1-800-342-5734. The Statement of Additional Information is incorporated into this Prospectus by reference.

SEI Institutional Managed Trust (the "Trust") is a mutual fund that offers financial institutions a convenient means of investing their own funds or funds for which they act in a fiduciary, agency or custodial capacity in professionally managed diversified and non-diversified portfolios of securities. A portfolio may offer separate classes of shares that differ from each other primarily in the allocation of certain distribution expenses and minimum investment amounts. This Prospectus offers the Class A and Class B shares of the fixed income portfolios (the "Portfolios," and each of these, a "Portfolio") listed above.

THE HIGH YIELD BOND PORTFOLIO INVESTS PRIMARILY AND MAY INVEST ALL OF ITS ASSETS IN LOWER RATED BONDS, COMMONLY REFERRED TO AS "JUNK BONDS." THESE SECURITIES ARE SPECULATIVE AND ARE SUBJECT TO GREATER RISK OF LOSS OF PRINCIPAL AND INTEREST THAN ARE INVESTMENTS IN HIGHER RATED BONDS. BECAUSE INVESTMENT IN SUCH SECURITIES ENTAILS GREATER RISKS, INCLUDING RISK OF DEFAULT, AN INVESTMENT IN THE HIGH YIELD BOND PORTFOLIO SHOULD NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND MAY NOT BE APPROPRIATE FOR ALL INVESTORS. INVESTORS SHOULD CAREFULLY CONSIDER THE RISKS POSED BY AN INVESTMENT IN THE HIGH YIELD BOND PORTFOLIO BEFORE INVESTING. SEE "INVESTMENT OBJECTIVES AND POLICIES," "RISK FACTORS RELATED TO INVESTING IN LOWER RATED SECURITIES" AND THE "APPENDIX."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE TRUST'S SHARES ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK. THE TRUST'S SHARES ARE NOT FEDERALLY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER GOVERNMENT AGENCY. INVESTMENT IN THE SHARES INVOLVES RISK, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

ANNUAL OPERATING EXPENSES (as a percentage of average net assets) Class A

	CORE FIXED INCOME PORTFOLIO	BOND PORTFOLIO	HIGH YIELD BOND PORTFOLIO
Management Fee/Advisory Fees (after fee waiver) (1)	0.45%	0.44%	0.73%
12b-1 Fees (2)	0.06%	0.08%	0.07%
Other Expenses (3)	0.04%	0.03%	0.05%
Total Operating Expenses (after fee waiver) (4)	0.55%	0.55%	0.85%

(1) SEI Financial Management Corporation ("SFM"), the Manager, has agreed to waive, on a voluntary basis, a portion of its management fee, and the management/advisory fees shown reflect this voluntary waiver. SFM reserves the right to terminate its waiver at any time in its sole discretion. Absent such fee waiver, management/advisory fees would be: Core Fixed Income Portfolio, .56%; Bond Portfolio, .56%; and High Yield Bond Portfolio, .8375%.

(2) The 12b-1 fees shown include each Portfolio's current 12b-1 budget. The maximum 12b-1 fees payable by Class A shares of each Portfolio are .30%.

(3) Other Expenses for the High Yield Bond Portfolio are based on estimated amounts for the current fiscal year.

(4) Absent the voluntary fee waivers described above, total operating expenses for Class A shares of the Portfolios would be: Core Fixed Income Portfolio .66%; Bond Portfolio, .67%; and High Yield Bond Portfolio, .96%. Additional information may be found under "The Advisers and Sub-Advisers" and "The Manager and Shareholder Servicing Agent."

EXAMPLE Class A

	1 YR.	3 YRS.	5 YRS.	10 YRS.
An investor in a Portfolio would pay the following expenses on a $1,000 investment assuming (1) 5% annual return and (2) redemption at the end of each time period:				
Core Fixed Income Portfolio	$6.00	$18.00	$31.00	$69.00
Bond Portfolio	$6.00	$18.00	$31.00	$69.00
High Yield Bond Portfolio	$9.00	$27.00	--	--

THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

The purpose of the expense table and example is to assist the investor in understanding the various costs and expenses that may be directly or indirectly borne by investors in Class A shares of the Portfolios. The information set forth in the foregoing table and example relates only to each Portfolio's Class A shares. The Core Fixed Income, Bond and High Yield Bond Portfolios also offer ProVantage Funds shares, which are subject to the same expenses except that ProVantage Funds shares bear different distribution costs and additional transfer agent costs and sales loads. A person who purchases shares through a financial institution may be charged separate fees by that institution. Additional information may be found under "The Manager and Shareholder Servicing Agent," "The Advisers and Sub-Advisers" and "Distribution."

Long-term shareholders may eventually pay more than the economic equivalent of the maximum front-end sales charges otherwise permitted by the Rules of Fair Practice (the "Rules") of the National Association of Securities Dealers, Inc. ("NASD").

ANNUAL OPERATING EXPENSES (as a percentage of average net assets) Class B

<TABLE>
<CAPTION>

	CORE FIXED INCOME PORTFOLIO	BOND PORTFOLIO	HIGH YIELD BOND PORTFOLIO
Management Fee/Advisory Fees (after fee waiver) (1)	0.45%	0.44%	0.73%
12b-1 Fees (2)	0.36%	0.38%	0.37%
Other Expenses (3)	0.04%	0.03%	0.05%
Total Operating Expenses (after fee waiver) (4)	0.85%	0.85%	1.15%

</TABLE>

(1) SEI Financial Management Corporation ("SFM"), the Manager, has agreed to waive, on a voluntary basis, a portion of its management fee, and the management/advisory fees shown reflect this voluntary waiver. SFM reserves the right to terminate its waiver at any time in its sole discretion. Absent such fee waiver, management/advisory fees would be: Core Fixed Income Portfolio, .56%; Bond Portfolio, .56%; and High Yield Bond Portfolio, .8375%.
(2) The 12b-1 fees shown include each Portfolio's current 12b-1 budget. The maximum 12b-1 fees payable by Class B shares of each Portfolio are .60%.
(3) Other Expenses for the High Yield Bond Portfolio are based on estimated amounts for the current fiscal year.
(4) Absent the voluntary fee waivers described above, total operating expenses for Class B shares of the Portfolios would be: Core Fixed Income Portfolio, .96%; Bond Portfolio, .97%; and High Yield Bond Portfolio, 1.26%. Additional information may be found under "The Advisers and Sub-Advisers" and "The Manager and Shareholder Servicing Agent."

EXAMPLE Class B

<TABLE>
<CAPTION>

	1 YR.	3 YRS.	5 YRS.	10 YRS.
An investor in a Portfolio would pay the following expenses on a $1,000 investment assuming (1) 5% annual return and (2) redemption at the end of each time period:				
Core Fixed Income Portfolio	$ 9.00	$27.00	$47.00	$105.00
Bond Portfolio	$ 9.00	$27.00	$47.00	$105.00
High Yield Bond Portfolio	$12.00	$37.00	--	--

</TABLE>

THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

The purpose of the expense table and example is to assist the investor in understanding the various costs and expenses that may be directly or indirectly borne by investors in Class B shares of the Portfolios. The information set forth in the foregoing table and example relates only to each Portfolio's Class

B shares. The Core Fixed Income, Bond and High Yield Bond Portfolios also offer ProVantage Funds shares, which are subject to the same expenses except that ProVantage Funds shares bear different distribution costs and additional transfer agent costs and sales loads. A person who purchases shares through a financial institution may be charged separate fees by that institution. Additional information may be found under "The Manager and Shareholder Servicing Agent," "The Advisers and Sub-Advisers" and "Distribution."

Long-term shareholders may eventually pay more than the economic equivalent of the maximum front-end sales charges otherwise permitted by the Rules of Fair Practice (the "Rules") of the National Association of Securities Dealers, Inc. ("NASD").

FINANCIAL HIGHLIGHTS ____

The following information has been audited by Price Waterhouse LLP, the Trust's independent accountants, as indicated in their report dated November 11, 1994 on the Trust's financial statements as of September 30, 1994 included in the Trust's Statement of Additional Information under "Financial Information." Additional performance information is set forth in the 1994 Annual Report to Shareholders and is available upon request and without charge by calling 1-800-342-5734. As of the most recent fiscal year, there were no shares outstanding of the High Yield Bond Portfolio and no Class B shares outstanding of the Core Fixed Income and Bond Portfolios. This table should be read in conjunction with the Trust's financial statements and notes thereto.

FOR A CLASS A SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

Core Fixed Income Portfolio (1)(2)

For the periods ended September 30,

<S>	1994 <C>	1993 <C>	1992 <C>	1991 <C>	1990 <C>	1989 <C>	1988 <C>	1987 (3) <C>
Net Asset Value, Beginning of Period	$10.87	$10.77	$10.30	$9.79	$9.95	$9.89	$9.84	$10.00
Income from Investment Operations:								
Net Investment Income (Loss)	0.56	0.60	0.69	0.73	0.75	0.82	0.82	0.34
Net Realized and Unrealized Gains (Losses) on Securities	(1.12)	0.23	0.49	0.52	(0.12)	0.06	0.07	(0.25)
Total from Investment Operations	$(0.56)	$0.83	$1.18	$1.25	$0.63	$0.88	$0.89	$0.09
Less Distributions:								
Dividends from Net Investment Income	(0.55)	(0.60)	(0.69)	(0.74)	(0.76)	(0.82)	(0.84)	(0.25)
Distributions from Realized Capital Gains	(0.11)	(0.18)	(0.02)	--	(0.03)	--	--	--
Total Distributions	$(0.66)	$(0.78)	$(0.71)	$(0.74)	$(0.79)	$(0.82)	$(0.84)	$(0.25)
Net Asset Value, End of Period	$9.65	$10.87	$10.77	$10.30	$9.79	$9.95	$9.89	$9.84
Total Return	(5.36)%	8.58%	11.91%	13.31%	6.58%	9.39%	9.34%	2.26%
Ratios/Supplemental Data:								
Net Assets, End of Period (000)	$311,955	$295,798	$213,632	$153,356	$83,876	$42,707	$25,661	$11,201

Ratio of Expenses to Average Net Assets	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.47%	0.33%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	0.62%	0.66%	0.68%	0.73%	0.76%	0.87%	1.12%	1.08%
Ratio of Net Investment Income (Loss) to Average Net Assets	5.57%	5.63%	6.71%	7.41%	7.79%	8.57%	8.57%	8.59%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	5.50%	5.52%	6.58%	7.23%	7.58%	8.25%	7.92%	7.84%
Portfolio Turnover Rate	370%	35%	39%	44%	40%	42%	34%	7%

</TABLE>

(1) Core Fixed Income Portfolio's Investment Adviser changed on January 19, 1994.
(2) During the year ended September 30, 1994, the Limited Volatility Bond Portfolio changed its name to Intermediate Bond Portfolio. On December 16, 1994, the Intermediate Bond Portfolio changed its name to the Core Fixed Income Portfolio.
(3) Core Fixed Income Bond Class A shares were offered beginning May 1, 1987. All ratios including total return for that period have been annualized.

FINANCIAL HIGHLIGHTS (CONTINUED)

FOR A CLASS A SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

Bond Portfolio

For the periods ended September 30,

<S>	1994 <C>	1993 <C>	1992 <C>	1991 <C>	1990 <C>	1989 <C>	1988 <C>	1987 (1) <C>
Net Asset Value, Beginning of Period	$12.25	$11.09	$10.47	$9.39	$10.38	$9.83	$9.16	$10.00
Income from Investment Operations:								
Net Investment Income (Loss)	0.59	0.66	0.73	0.76	0.81	0.81	0.81	0.29
Net Realized and Unrealized Gains (Losses) on Securities	(1.62)	1.19	0.62	1.10	(0.69)	0.74	0.71	(0.93)
Total from Investment Operations	$(1.03)	$1.85	$1.35	$1.86	$0.12	$1.55	$1.52	$(0.64)
Less Distributions:								
Dividends from Net Investment Income	(0.59)	(0.67)	(0.73)	(0.77)	(0.82)	(0.79)	(0.84)	(0.20)
Distributions from Realized Capital Gains	(0.68)	(0.02)	--	(0.01)	(0.29)	(0.21)	(0.01)	--
Total Distributions	$(1.27)	$(0.69)	$(0.73)	$(0.78)	$(1.11)	$(1.00)	$(0.85)	$(0.20)
Net Asset Value, End of Period	$9.95	$12.25	$11.09	$10.47	$9.39	$10.38	$9.83	$9.16
Total Return	(9.12)%	17.36%	13.52%	20.56%	0.97%	16.60%	17.22%	(15.67)%
Ratios/Supplemental								

Data:

Net Assets, End of Period (000)	$123,329	$97,163	$65,061	$40,683	$20,339	$27,580	$12,194	$ 5,762
Ratio of Expenses to Average Net Assets	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.45%	0.35%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	0.67%	0.66%	0.71%	0.76%	0.78%	0.87%	1.13%	1.69%
Ratio of Net Investment Income (Loss) to Average Net Assets	5.61%	5.87%	6.98%	7.77%	8.06%	8.21%	8.54%	8.38%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	5.49%	5.76%	6.82%	7.56%	7.83%	7.89%	7.86%	7.04%
Portfolio Turnover Rate	73%	47%	24%	8%	89%	108%	125%	48%

</TABLE>

(1) Bond Class A shares were offered beginning May 4, 1987. All ratios including total return for that period have been annualized.

THE TRUST

SEI INSTITUTIONAL MANAGED TRUST (the "Trust") is an open-end management investment company that has diversified and non-diversified portfolios. The Trust offers units of beneficial interest ("shares") in separate investment portfolios. Each portfolio has three separate classes of shares, Class A, Class B and ProVantage Funds, which provide for variations in distribution and transfer agent costs, sales charges, voting rights and dividends. This prospectus offers Class A and B shares of the Trust's Intermediate Bond, Bond and High Yield Bond Portfolios (the "Portfolios," and each of these, a "Portfolio"). Additional information pertaining to the Trust may be obtained in writing from SEI Financial Services Company, 680 East Swedesford Road, Wayne, PA 19087 or by calling 1-800-342-5734.

INVESTMENT OBJECTIVES AND POLICIES

CORE FIXED INCOME PORTFOLIO

The investment objective of the Core Fixed Income Portfolio (formerly the Intermediate Bond Portfolio) is current income consistent with the preservation of capital. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio's permitted investments consist of corporate bonds and debentures, obligations issued by the United States Government, its agencies and instrumentalities, receipts involving U.S. Treasury obligations, collateralized mortgage obligations and asset-backed securities, that are rated AAA, AA or A by Standard & Poor's Corporation ("S&P") or Aaa, Aa or A by Moody's Investors Service ("Moody's") at the time of purchase, or of comparable quality (as determined by the Portfolio's adviser). The Portfolio may invest up to 35% of its total assets in corporate bonds and debentures rated BBB by S&P or Baa by Moody's at time of purchase. Securities which are rated BBB by S&P or Baa by Moody's are considered as medium-grade obligations (i.e. they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such securities lack outstanding investment characteristics and in fact have speculative characteristics as well. In addition, the Portfolio may invest in money market instruments. Under normal market conditions, the Portfolio will invest at least 65% of its total assets in bonds. Consistent with any applicable state law limitations, the adviser may purchase interest-only and principal-only components of mortgage-backed securities and collateralized mortgage obligations. Furthermore, the Portfolio may purchase yankee obligations and mortgage dollar rolls. Under normal market conditions, the average dollar-weighted maturity of the Portfolio will range between 5 and 10 years. By so limiting the maturity of its investments, the Portfolio's assets are expected to experience less price volatility in response to changes in interest rates than similar securities with longer maturities.

For the fiscal year ended September 30, 1994, as a result of its investment strategies, the Portfolio's annual portfolio turnover rate is 370%. Such a turnover rate may lead to higher transaction costs and may result in higher taxes for shareholders.

The Portfolio's investment adviser is Western Asset Management.

BOND PORTFOLIO

The investment objective of the Bond Portfolio is current income consistent with preservation of capital. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio's permitted investments consist of corporate bonds and debentures, obligations issued by the United States Government, its agencies and instrumentalities and receipts involving U.S. Treasury obligations, that are rated AAA, AA, A or BBB by S&P or Aaa, Aa, A or Baa by Moody's at the time of purchase or of comparable quality (as determined by the Portfolio's adviser). Securities which are rated BBB by S&P or Baa by Moody's are considered as medium-grade obligations (i.e. they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such securities lack outstanding investment characteristics and in fact have speculative characteristics as well. Under normal market conditions, the Portfolio will invest at least 65% of its total assets in bonds. There are no restrictions on the Portfolio's maturity, but the average maturity is expected to be greater than ten years.

The Portfolio's investment adviser is Boatmen's Trust Company.

HIGH YIELD BOND PORTFOLIO

The investment objective of the High Yield Bond Portfolio is to maximize total return. There is no assurance that the Portfolio will achieve its investment objective.

Under normal market conditions, the Portfolio will invest at least 65% of its total assets in fixed-income debt securities that are rated below investment grade (i.e., below the top four ratings categories used by Moody's or BBB by S&P), or, if not rated, are deemed by the Portfolio's advisers to be of comparable quality. Below investment grade securities are commonly referred to as "junk bonds," and general entail increased credit and market risk. The achievement of the Portfolio's investment objective may be more dependent on the Portfolio's adviser's own credit analysis than is the case for higher rated securities. Any remaining assets may be invested in preferred stocks, equity securities, investment grade fixed-income securities and money market securities that the Portfolio's advisers believe are appropriate in light of the Portfolio's objective.

The Portfolio may acquire all types of fixed income debt securities issued by domestic and foreign issuers, including convertible, mortgage-backed and asset-backed securities. The Portfolio may invest in zero coupon, pay-in-kind or deferred payment securities, and securities that pay interest on a variable or floating rate basis. Securities in the lowest rating categories may have predominantly speculative characteristics or may be in default. The Portfolio's advisers may vary the average maturity of the securities in the Portfolio without limit and there is no restriction on the maturity of any individual security. There is no bottom limit on the ratings of high yield securities that may be purchased or held by the Portfolio.

The "Appendix" to this Prospectus sets forth a description of the bond rating categories of Moody's and S&P. Ratings of S&P and Moody's represent their opinions of

the safety of principal and interest payments (and not the market risk) of bonds and other debt securities they undertake to rate at the time of issuance. Ratings are not absolute standards of quality and may not reflect changes in an issuer's creditworthiness. Accordingly, although the Portfolio's advisers will consider ratings, they will perform their own analyses and will not rely principally on ratings. The Portfolio's advisers will consider, among other things, the price of the security and the financial history and condition, the prospects and the management of an issuer in selecting securities for the Portfolio.

The Portfolio's annual portfolio turnover rate may exceed 100%. Such a turnover rate may result in higher transaction costs and may result in additional taxes for shareholders. See "Taxes."

The Portfolio's investment adviser is SEI Financial Management Corporation and its investment sub-adviser is CS First Boston Management Corporation.

Risk Factors Relating to Investing in Lower Rated Securities

The High Yield Bond Portfolio may invest in lower rated securities. Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Lower rated or unrated (i.e., high yield) securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. The market values of fixed-income securities tend to vary inversely with the level of interest rates. The market values of fixed-income securities tend to vary inversely with the level of interest rates. Yields and market values of high yield securities will fluctuate over time, reflecting not only changing interest rates but the market's perception of credit quality and the outlook for economic growth. When economic conditions appear to be deteriorating, medium to lower rated securities may decline in value due to heightened concern over credit quality, regardless of prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

The high yield market is relatively new and its growth has paralleled a long period of economic expansion and an increase in merger, acquisition and leveraged buyout activity. Adverse economic developments can disrupt the market for high yield securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity which may lead to a higher incidence of default on such securities. In addition, the secondary market for high yield securities, which is concentrated in relatively few market makers, may not be as liquid as the secondary market for more highly rated securities. As a result, the Portfolio's adviser could find it more difficult to sell these securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Furthermore the Trust may experience difficulty in valuing certain securities at certain times. Prices realized upon the

sale of such lower rated or unrated securities, under these circumstances, may be less than the prices used in calculating the Portfolio's net asset value.

Prices for high yield securities may be affected by legislative and regulatory developments. These laws could adversely affect the Portfolio's net asset value and investment practices, the secondary market for high yield securities, the financial condition of issuers of these securities and the value of outstanding high yield securities. For example, federal legislation requiring the divestiture by federally insured savings and loans associations of their investments in high yield bonds and limiting the deductibility of interest by certain corporate issuers of high yield bonds adversely affected the market in recent years. Lower rated or unrated debt obligations also present risks based on payment expectations. If an issuer calls the obligations for redemption, the Portfolio may have to replace the security with a lower yielding security, resulting in a decreased return for investors. If the Portfolio experiences unexpected net redemptions, it may be forced to sell its higher rated securities, resulting in a decline in the overall credit quality of the Portfolio's investment portfolio and increasing the exposure of the Portfolio to the risks of high yield securities.

Lower rated or unrated debt obligations also present risks based on payment expectations. If an issuer calls the obligations for redemption, the Portfolio may have to replace the security with a lower yielding security, resulting in a decreased return for investors. If the Portfolio experiences unexpected net redemptions, it may be forced to sell its higher rated securities, resulting in a decline in the overall credit quality of the Portfolio's investment portfolio and increasing the exposure of the Portfolio to the risks of high yield securities.

GENERAL INVESTMENT POLICIES

Borrowing The Core Fixed Income, Bond and High Yield Bond Portfolios may borrow money to meet redemptions for temporary, emergency purposes. A Portfolio will not purchase securities while its borrowings exceed 5% of its total assets.

Forward Foreign Currency Contracts The High Yield Bond Portfolio may purchase forward foreign currency contracts.

Illiquid Securities The High Yield Bond Portfolio's investment in illiquid securities will be limited to 15% of its net assets. The Core Fixed Income and Bond Portfolios' investment in illiquid securities will be limited to 10% of each Portfolio's net assets.

Investment Company Securities The High Yield Bond Portfolio may purchase investment company securities, which will result in the layering of expenses. There are legal limits on the amount of such securities that may be acquired by a Portfolio.

Options and Futures	The Core Fixed Income and High Yield Bond Portfolios may purchase or write options, futures and options on futures.

Securities Lending	The High Yield Bond Portfolio may lend its securities in order to realize additional income.
Temporary Defensive Investments	For temporary defensive purposes, when the adviser determines that market conditions warrant, the Core Fixed Income and Bond Portfolios may each invest up to 100% of its assets in money market instruments (including securities issued or guaranteed by the United States Government, its agencies or instrumentalities, repurchase agreements, certificates of deposit and bankers' acceptances issued by banks or savings and loan associations having net assets of at least $500 million as of the end of their most recent fiscal year and high-grade commercial paper) rated, at time of purchase, in the top two categories by a national rating agency or determined to be of comparable quality by the adviser at time of purchase, and other long and short-term debt instruments which are rated at time of purchase A or higher by S&P or Moody's at the time of purchase, and may hold a portion of its assets in cash. In addition, each Portfolio may borrow money. To the extent a Portfolio is engaged in temporary defensive investments, such Portfolio will not be pursuing its investment objective. In order to meet liquidity needs or for temporary defensive purposes, the High Yield Bond Portfolio may invest up to 100% of its assets in cash and short term money market securities. Money market securities must be rated in one of the top two categories by a major rating service or, if unrated, be of comparable quality as determined by the Portfolio's advisers.
Warrants	Consistent with any applicable state law limitations, each of the Core Fixed Income and High Yield Bond Portfolios may purchase warrants in order to increase the Portfolio's total return.
When-Issued and Delayed-Delivery Securities	The Core Fixed Income, Bond and High Yield Bond Portfolios may purchase securities on a when-issued or delayed-delivery basis.

For additional information regarding the Portfolios' permitted investments, see "Description of Permitted Investments and Risk Factors" in this Prospectus and "Description of Permitted Investments" in the Statement of Additional Information. For a description of the above ratings, see "Description of Ratings" in the Appendix to this Prospectus and the Statement of Additional Information.

INVESTMENT LIMITATIONS

The investment objective and investment limitations are fundamental policies of the Portfolios. It is also a fundamental policy of the Bond Portfolio to invest its assets solely in securities listed as appropriate investments. Fundamental policies cannot be changed with respect to the Trust or a Portfolio without the consent of the holders of a majority of the Trust's or that Portfolio's outstanding shares.

No Portfolio may:

1. Purchase securities of any issuer (except securities issued or guaranteed by the United States Government, its agencies or instrumentalities) if, as a result, more than 5% of total assets of the Portfolio (based on fair market value at the time of investment) would be invested in the securities of such issuer. This restriction applies to 75% of each Portfolio's total assets.

2. Purchase any securities which would cause more than 25% of the total assets of the Portfolio to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in obligations issued or guaranteed by the United States Government or its agencies and instrumentalities.

The foregoing percentage limitations will apply at the time of the purchase of a security. Additional investment limitations are set forth in the Statement of Additional Information.

THE MANAGER AND SHAREHOLDER SERVICING AGENT

SEI Financial Management Corporation ("SFM"), provides the Trust with overall management services, regulatory reporting, all necessary office space, equipment, personnel and facilities, and acts as transfer agent, dividend disbursing agent and shareholder servicing agent. SFM is a wholly-owned subsidiary of SEI Corporation ("SEI"). Founded in 1968, SEI is a leading provider of investment solutions to banks, institutional investors, investment advisers and insurance companies. Affiliates of SFM have provided consultative advice to institutional investors for more than 20 years, including advice on the selection and evaluation of investment advisers.

For its management services, SFM is entitled to a fee which is calculated daily and paid monthly at an annual rate of .43% of the average daily net assets of the Core Fixed Income Portfolio, .43% of the average daily net assets of the Bond Portfolio and .35% of the average daily net assets of the High Yield Bond Portfolio. SFM has voluntarily agreed to waive a portion of its fees in order to limit the operating expenses of each Portfolio. SFM reserves the right, in its sole discretion, to terminate this voluntary fee waiver at any time.

For the fiscal year ended September 30, 1994 the Core Fixed Income Portfolio paid SFM a management fee of .33% and the Bond Portfolio paid SFM a management fee of .32% of its average daily net assets after fee waivers. During the last fiscal year, the High Yield Bond Portfolio had not commenced operations.

THE ADVISERS AND SUB-ADVISERS

The following entities serve as investment advisers (each, an "Adviser," and collectively, the "Advisers") and investment sub-advisers (each, a "Sub-Adviser," and collectively, the "Sub-Advisers") to the Trust's Portfolios. Each Adviser has general oversight responsibility for the investment advisory services provided to the Portfolios, including formulating the Portfolios' investment policies and analyzing economic trends affecting the Portfolios. In addition, SFM, where it is the Adviser to a Portfolio, is responsible for managing the allocation of assets among the Portfolio's Sub-Advisers and directing and evaluating the investment services provided by the Sub-Advisers, including their adherence to each Portfolio's respective investment objective and policies and each Portfolio's investment performance. In accordance with each Portfolio's investment objective and policies, and under the supervision of the Adviser and the Trust's Board of Trustees, each Sub-Adviser and certain Advisers are responsible for the day-to-day investment management of all or a discrete portion of the assets of a Portfolio. The Advisers and Sub-Advisers are authorized to make investment decisions for the Portfolios and place orders on behalf of the Portfolios to effect the investment decisions made.

The Glass-Steagall Act restricts the securities activities of banks such as Boatmen's Bancshares, Inc., but federal regulatory authorities permit such banks to provide investment advisory and other services to mutual funds. Should this position be challenged successfully in court or reversed by legislation, the Trust might have to make other investment advisory arrangements.

SFM is currently seeking an exemptive order from the Securities and Exchange Commission (the "SEC") that would permit SFM, with the approval of the Trust's Board of Trustees, to retain sub-advisers for a Portfolio without submitting the sub-advisory agreement to a vote of the Portfolio's shareholders. If granted, the exemptive relief will permit the non-disclosure of amounts payable by SFM under such sub-advisory agreements. The Trust will notify shareholders in the event of any change in the identity of the sub-adviser for a Portfolio. Until or unless this exemptive order is granted, if one of the advisers is terminated or departs from a Portfolio with multiple advisers, the Portfolio will handle such termination or departure in one of two ways. First, the Portfolio may propose that a new investment adviser be appointed to manage that portion of the Portfolio's assets managed by the departing adviser. In this case, the Portfolio would be required to submit to the vote of the Portfolio's shareholders the approval of a investment advisory contract with the new adviser. In the alternative, the Portfolio may decide to allocate the departing adviser's assets among the remaining advisers. This allocation would not require new investment advisory contracts with the remaining advisers, and consequently no shareholder approval would be necessary.

BOATMEN'S TRUST COMPANY

Boatmen's Trust Company ("Boatmen's") serves as investment adviser for the Bond Portfolio. Boatmen's is a subsidiary of Boatmen's Bancshares, Inc., a multi-bank holding company. Boatmen's provides trust and investment advisory services to a broad array of individual and institutional clients. As of September 30, 1994, Boatmen's total assets under management were approximately $36 billion for a broad spectrum of taxable and tax-exempt clients. The principal business address of Boatmen's is 100 N. Broadway, St. Louis, Missouri 63102.

The Portfolio has been managed by a committee since its inception.

Boatmen's is entitled to a fee from the Trust, calculated daily and paid monthly at an annual rate of .125% of the average daily net assets of the Portfolio. For the fiscal year ended September 30, 1994, the Bond Portfolio paid Boatmen's an advisory fee of .125% of its average daily net assets.

CS FIRST BOSTON

CS First Boston Investment Management Corporation ("CS First

INVESTMENT MANAGEMENT CORPORATION

Boston Management"), 599 Lexington Avenue, 36th Floor, New York, New York 10022, an affiliate of CS First Boston Corporation ("CS First Boston"), serves as investment sub-adviser for the High Yield Bond Portfolio. CS First Boston and CS First Boston Management are subsidiaries of CS First Boston, Inc. CS First Boston and CS First Boston Management has been providing fixed income and equity investment management services to institutional clients since 1984. Total assets under management as of August 31, 1994 exceeded $7.6 billion.

Richard J. Lindquist, CFA, Managing Director, has primary responsibility for the day-to-day management of the Portfolio. Mr. Lindquist has been the leader of the high yield management team and primary high yield portfolio manager since he joined CS First Boston Management in July 1989.

CS First Boston Management is entitled to a fee, which is paid monthly by SFM, at an annual rate of .3375% of the average monthly market value of investments under its management. For the fiscal year ended September 30, 1994, the High Yield Bond Portfolio had not commenced operations and therefore CS First Boston Investment Management did not receive an advisory fee.

SEI FINANCIAL MANAGEMENT CORPORATION

SEI Financial Management Corporation ("SFM") serves as investment adviser for the High Yield Bond Portfolio. As Adviser, SFM has general oversight responsibility for the investment advisory services provided to the Portfolio, including formulating the Portfolio's investment policies, analyzing economic trends affecting the Portfolio, managing the allocation of assets among the Portfolio's sub-advisers (if necessary) and generally directing and evaluating the investment services provided by the sub-adviser, including its adherence to the Portfolio's investment objective and policies and the Portfolio's investment performance. SEI was founded in 1968 and is a leading provider of investment solutions to banks, institutional investors, investment advisers and insurance companies. Affiliates of SFM have provided consulting advice to institutional investors for more than 20 years, including advice regarding the selection and evaluation of investment advisers. Although

SFM has not previoulsy been the investment adviser to an investment company, it currently serves as manager or administrator to more than 26 investment companies, including more than 220 portfolios, which investment companies have more than $42 billion in assets as of September 30, 1994.

For these services, SFM is entitled to a fee, which is calculated daily and paid monthly, at an annual rate of .4875% of the Porfolio's average daily net assets. For the fiscal year ended September 30, 1994, the High Yield Bond Portfolio had not commenced operations and therefore SFM did not receive an advisory fee.

SFM is currently seeking an exemptive order from the Securities and Exchange Commission (the "SEC") that would permit SFM, with the approval of the Trust's Board of Trustees, to retain sub-advisers for the Portfolio without submitting the sub-advisory agreement to a vote of the High Yield Bond Portfolio's shareholders. If granted, the exemptive relief will permit the non-disclosure of amounts payable by SFM under such sub-advisory agreements. The Trust will notify shareholders in the event of any change in the identity of the sub-adviser for the Portfolio.

WESTERN ASSET MANAGEMENT

Since January 19, 1994, Western Asset Management ("Western") has served as investment adviser for the Core Fixed Income Portfolio. Prior to that date, the investment adviser to the

Portfolio was Bank One Indianapolis, N.A. ("Bank One"). Western is located at 117 East Colorado Boulevard, Pasadena, California 91105, and is a wholly owned subsidiary of Legg Mason, Inc., a financial services company located in Baltimore, Maryland. Western was founded in 1971, and specializes in the management of fixed income portfolios. As of September 30, 1994, Western managed approximately $12 billion in client assets, including $2 billion of investment company assets.

Kent S. Engel, Director and Chief Investment Officer of Western, is primarily responsible for the day-to-day management of the Portfolio since January 19, 1994. Mr. Engel has been with Western and its predecessor since 1969.

Western is entitled to a fee which is calculated daily and paid monthly, at the annual rate of .125% of the Portfolio's average daily net assets. For the fiscal year ended September 30, 1994, the Portfolio paid each of the Portfolio's advisers an advisory fee of .125% of its average daily net assets. Of this .125% advisory fee, .085% of the Portfolio's total average daily net assets was paid to Western and .04% of the Portfolio's average daily net assets was paid to Bank One.

DISTRIBUTION

SEI Financial Services Company (the "Distributor"), a wholly-owned subsidiary of SEI, serves as each Portfolio's distributor pursuant to a distribution agreement (the "Distribution Agreement") with the Trust. Each Portfolio has a distribution plan for its shares (the "Class A Plan," "Class B Plan" and the "ProVantage Plan;" collectively, the "Plans") pursuant to Rule 12b-1 under the Investment Company 1940 Act of 1940, as

amended (the "1940 Act"). The Trust intends to operate the Plans in accordance with their terms and with the NASD rules concerning sales charges.

The Distribution Agreement and the Plans provide for reimbursement for expenses incurred by the Distributor in an amount not to exceed .30% of the average daily net assets of each Portfolio on an annualized basis, provided those expenses are permissible as to both type and amount under a budget adopted by the Board of Trustees, including those Trustees who are not interested persons and have no financial interest in the Plans or any related agreement ("Qualified Trustees"). The Class B and ProVantage Plans also provide for additional payments for distribution and shareholder services as described below.

Distribution-related expenses reimbursable to the Distributor under the budget include those related to the costs of advertising and sales materials, the costs of federal and state securities law registration, advertising expenses and promotional and sales expenses including expenses for travel, communication and compensation and benefits for sales personnel. The Trust is not obligated to reimburse the Distributor for any expenditures in excess of the approved budget. Currently the budget (shown here as a percentage of daily net assets) for the Core Fixed Income Portfolio is .06%, for the Bond Portfolio is .08% and for the High Yield Bond Portfolio is .07%. Distribution expenses not attributable to a specific portfolio are allocated among each of the portfolios of the Trust based on average net assets.

The Class B Plan, in addition to providing for the reimbursement payments described above, provides for payments to the Distributor at an annual rate of .30% of the Portfolio's average daily net assets attributable to Class B shares. These additional payments are characterized as "compensation," and are not directly tied to expenses incurred by the Distributor; the payments the Distributor receives during any year may therefore be higher or lower than its actual expenses. This additional payment may be used to compensate financial institutions that provide distribution-related services to their customers.

The ProVantage Plan is similar to the Class B Plan described above, but applies only to ProVantage Funds shareholders.

It is possible that an institution may offer different classes of shares to its customers and thus receive different compensation with respect to different classes. These financial institutions may also charge separate fees to their customers.

The Trust may also execute brokerage or other agency transactions through the Distributor for which the Distributor may receive usual and customary compensation.

The Distributor may, from time to time in its sole discretion, institute one or more promotional incentive programs, which will be paid by the Distributor from the sales charge it receives or from any other source available to it. Under any such program, the Distributor will provide promotional incentives, in the form of cash or other compensation, including merchandise, airline vouchers, trips and vacation packages, to all dealers selling

shares of the Portfolios. Such promotional incentives will be offered uniformly to all dealers and predicated upon the amount of shares of the Portfolios sold by the dealer.

PURCHASE AND REDEMPTION OF SHARES

Financial institutions may acquire Class A and Class B shares of the Portfolios for their own accounts or as record owner on behalf of fiduciary, agency or custody accounts by placing orders with SFM. Institutions that use certain SEI proprietary systems may place orders electronically through those systems. State securities laws may require banks and financial institutions purchasing shares for their customers to register as dealers pursuant to state laws. Financial institutions may impose an earlier cut-off time for receipt of purchase orders directed through them to allow for processing and transmittal of these orders to SFM for effectiveness the same day. Financial institutions that purchase shares for the accounts of their customers may impose separate charges on these customers for account services. Shares of the Portfolios are offered only to residents of states in which the shares are eligible for purchase.

Shares of each Portfolio may be purchased or redeemed on days on which the New York Stock Exchange is open for business ("Business Days").

Shareholders who desire to purchase shares for cash must place their orders with SFM prior to 4:00 p.m. Eastern time on any Business Day for the order to be accepted on that Business Day. Cash investments must be transmitted or delivered in federal funds to the wire agent on the next Business Day following the day the order is placed. The Trust reserves the right to reject a purchase order when the Distributor determines that it is not in the best interest of the Trust or its shareholders to accept such purchase order.

Purchases will be made in full and fractional shares of the Portfolios calculated to three decimal places. The Trust will send shareholders a statement of shares owned after each transaction. The purchase price of shares is the net asset value next determined after a purchase order is received and accepted by the Trust. The net asset value per share of each Portfolio is determined by dividing the total market value of a Portfolio's investment and other assets, less any liabilities, by the total outstanding shares of that Portfolio. Net asset value per share is determined daily as of 4:00 p.m. Eastern time on any Business Day.

The market value of each portfolio security is obtained by SFM from an independent pricing service. Securities having maturities of 60 days or less at the time of purchase will be valued using the amortized cost method (described in the Statement of Additional Information). The pricing service relies primarily on prices of actual market transactions as well as trader quotations. However, the pricing service may use a matrix system to determine valuations of equity and fixed income securities. This system considers such factors as security prices, yields, maturities, call features, ratings and developments

relating to specific securities in arriving at valuations. The procedures used by the pricing service and its valuations are reviewed by the officers of the Trust under the general supervision of the Trustees.

Shareholders who desire to redeem shares of the Portfolios must place their redemption orders with SFM prior to 4:00 p.m. Eastern time on any Business Day. The redemption price is the net asset value per share of the Portfolio next determined after receipt by SFM of the redemption order. Payment on redemption will be made as promptly as possible and, in any event, within seven days after the redemption order is received.

Purchase and redemption orders may be placed by telephone. Neither the Trust nor SFM will be responsible for any loss, liability, cost or expense for acting upon wire instructions or upon telephone instructions that it reasonably believes to be genuine. The Trust and SFM will each employ reasonable procedures to confirm that instructions communicated by telephone are genuine, including requiring a form of personal identification prior to acting upon instructions received by telephone and recording telephone instructions.

If market conditions are extraordinarily active, or other extraordinary circumstances exist, and shareholders experience difficulties placing redemption orders by telephone, shareholders may wish to consider placing their order by other means.

PERFORMANCE

From time to time, a Portfolio may advertise yield and total return. These figures will be based on historical earnings and are not intended to indicate future performance. No representation can be made concerning actual yield or future returns. The yield of a Portfolio refers to the income generated by a hypothetical investment, net of any sales charge imposed in the case of some ProVantage Funds shares, in such Portfolio over a thirty day period. This income is then "annualized," i.e., the income over thirty days is assumed to be generated over one year and is shown as a percentage of the investment.

The total return of a Portfolio refers to the average compounded rate of return on a hypothetical investment for designated time periods, assuming that the entire investment is redeemed at the end of each period and assuming the reinvestment of all dividend and capital gain distributions.

The performance of Class A shares will normally be higher than for Class B shares and ProVantage Fund shares because of the additional distribution expenses charged to Class B shares and additional distribution expenses, transfer agency expenses and sales charges (when applicable) charged to ProVantage Funds shares.

A Portfolio may periodically compare its performance to that of other mutual funds tracked by mutual fund rating services (such as Lipper Analytical) or by financial and business publications and periodicals, broad groups of comparable mutual funds, unmanaged indices which may assume investment of dividends but generally do not reflect

deductions for administrative and management costs or to other investment alternatives. A Portfolio may quote Morningstar, Inc., a service that ranks mutual funds on the basis of risk-adjusted performance. A Portfolio may use long-term performance of these capital markets to demonstrate general long-term risk versus reward scenarios and could include the value of a hypothetical investment in any of the capital markets. A Portfolio may also quote financial and business publications and periodicals as they relate to fund management, investment philosophy and investment techniques.

A Portfolio may quote various measures of volatility and benchmark correlation in advertising and may compare these measures to those of other funds. Measures of volatility attempt to compare historical share price fluctuations or total returns to a benchmark while measures of benchmark correlation indicate how valid a comparative benchmark might be. Measures of volatility and correlation are calculated using averages of historical data and cannot be calculated precisely.

Additional performance information is set forth in the 1994 Annual Report to Shareholders and is available upon request and without charge by calling 1-800-342-5734.

TAXES

The following summary of federal income tax consequences is based on current tax laws and regulations, which may be changed by legislative, judicial or administrative action. No attempt has been made to present a detailed explanation of the federal, state or local income tax treatment of a Portfolio or its shareholders. Accordingly, shareholders are urged to consult their tax advisers regarding specific questions as to federal, state and local taxes. State and local tax consequences of an investment in a Portfolio may differ from the federal income tax consequences described below. Additional information concerning taxes is set forth in the Statement of Additional Information.

Tax Status of the Portfolios

A Portfolio is treated as a separate entity for federal income tax purposes and is not combined with the Trust's other portfolios. Each Portfolio intends to continue to qualify for the special tax treatment afforded regulated investment companies ("RICs") under Subchapter M of the Code, so as to be relieved of federal income tax on net investment company taxable income (including the excess, if any, of net short-term capital gains over net long-term capital losses) and net capital gains (the excess of net long-term capital gains over net short-term capital losses) distributed to shareholders.

Tax Status of Distributions

Each Portfolio distributes substantially all of its net investment company taxable income to shareholders. Dividends from a Portfolio's net investment company taxable income are taxable to its shareholders as ordinary income (whether received in cash or in additional shares). Dividends from the High Yield Bond Portfolio's net investment income ordinarily will not qualify for the corporate dividends-received deduction. Distributions of net capital gains are taxable to shareholders as long-term capital gains regardless of how long a shareholder has held shares. Dividends and distributions received from a Portfolio will not

qualify for the dividends received deduction. Each Portfolio will make annual reports to shareholders of the federal income tax status of all distributions.

Dividends declared by a Portfolio in October, November or December of any year and payable to shareholders of record on a date in such a month will be deemed to have been paid by the Portfolio and received by the shareholders on December 31 of the year declared if paid by a Portfolio at any time during the following January.

Each Portfolio intends to make sufficient distributions to avoid liability for federal excise tax.

Sale, exchange or redemption of a Portfolio's shares generally is a taxable transaction to the shareholder.

GENERAL INFORMATION

The Trust

The Trust was organized as a Massachusetts business trust under a Declaration of Trust dated October 20, 1986. The Declaration of Trust permits the Trust to offer separate series of shares and different classes of each portfolio. All consideration received by the Trust for shares of any class of any portfolio and all assets of such portfolio or class belong to that portfolio or class, respectively, and would be subject to the liabilities related thereto.

The Trust pays its expenses, including fees of its service providers, audit and legal expenses, expenses of preparing prospectuses, proxy solicitation materials and reports to shareholders, costs of custodial services and registering the shares under federal and state securities laws, pricing, insurance expenses, litigation and other extraordinary expenses, brokerage costs, interest charges, taxes and organization expenses.

Trustees of the Trust

The management and affairs of the Trust are supervised by the Trustees under the laws of the Commonwealth of Massachusetts. The Trustees have approved contracts under which, as described above, certain companies provide essential management services to the Trust.

Voting Rights

Each share held entitles the shareholder of record to one vote. The shareholders of each portfolio or class will vote separately on matters pertaining solely to that portfolio or class, such as any distribution plan. As a Massachusetts business trust, the Trust is not required to hold annual meetings of shareholders but approval will be sought for certain changes in the operation of the Trust and for the election of Trustees under certain circumstances. In addition, a Trustee may be removed by the remaining Trustees or by shareholders at a special meeting called upon written request of shareholders owning at least 10% of the outstanding shares of the Trust. In the event that such a meeting is requested, the Trust will provide appropriate assistance and information to the shareholders requesting the meeting.

Reporting

The Trust issues unaudited financial information semi-annually and audited financial statements annually. The Trust furnishes proxy statements and other reports to shareholders of record.

Shareholder Inquiries

Shareholder inquiries should be directed to the Manager, SEI Financial Management Corporation, 680 East Swedesford Road, Wayne, PA 19087.

Dividends

Substantially all of the net investment income (exclusive of capital gains) of each Portfolio is periodically declared and paid as a dividend. Dividends currently are paid on a monthly basis for each Portfolio. Currently, net capital gains (the excess of net long-term capital gain over net short-term capital loss) realized, if any, will be distributed at least annually.

Shareholders automatically receive all income dividends and capital gain distributions in additional shares at the net asset value next determined following the record date, unless the shareholder has elected to take such payment in cash. Shareholders may change their election by providing written notice to the SFM at least 15 days prior to the distribution.

Dividends and capital gains of each Portfolio are paid on a per-share basis. The value of each share will be reduced by the amount of any such payment. If shares are purchased shortly before the record date for a dividend or capital gains distributions, a shareholder will pay the full price for the share and receive some portion of the price back as a taxable dividend or distribution.

The dividends on ProVantage Funds shares or Class B shares of the Portfolios will normally be lower than those on Class A shares because of the additional distribution expenses charged to Class B shares and the additional distribution and transfer agent expenses charged to ProVantage Funds shares.

Counsel and Independent Accountants

Morgan, Lewis & Bockius serves as counsel to the Trust. Price Waterhouse LLP serves as the independent accountants of the Trust.

Custodian and Wire Agent

CoreStates Bank, N.A., Broad and Chestnut Streets, P.O. Box 7618, Philadelphia, PA 19101 (the "Custodian"), acts as custodian of the Trust's assets. The Custodian holds cash, securities and other assets of the Trust as required by the 1940 Act.

DESCRIPTION OF PERMITTED INVESTMENTS AND RISK FACTORS

The following is a description of the permitted investment practices for the Portfolios, and the associated risk factors:

Asset-Backed Securities

Asset-backed securities are securities secured by non-mortgage assets such as company receivables, truck and auto loans, leases and credit card receivables. Such securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in the underlying pools of assets. Such securities also may be debt instruments, which are also known as collateralized obligations and are generally issued as the debt of a special purpose entity, such as a trust, organized solely for the purpose of owning such assets and issuing such debt.

Asset-backed securities are not issued or guaranteed by the United States Government or its agencies or instrumentalities; however, the payment of principal and interest on such obligations may be guaranteed up to certain amounts and for a certain period by a letter of credit issued by a financial institution (such as a bank or insurance company) unaffiliated with the issuers of such securities. The purchase of asset-backed securities raises risk considerations peculiar to the financing of the instruments underlying such securities. For example, there is a risk that another party could acquire an interest in the obligations superior to that of the holders of the asset-backed securities. There also is the possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on those securities. Asset-backed securities entail prepayment risk, which may vary depending on the type of asset, but is generally less than the prepayment risk associated with mortgage-backed securities. In addition, credit card receivables are unsecured obligations of the card holder.

The market for asset-backed securities is at a relatively early stage of development. Accordingly, there may be a limited secondary market for such securities. The Core Fixed Income and High Yield Bond Portfolios may invest in asset-backed securities.

Bankers' Acceptances — Bankers' acceptances are bills of exchange or time drafts drawn on and accepted by a commercial bank. Bankers' acceptances are used by corporations to finance the shipment and storage of goods. Maturities are generally six months or less. Each Portfolio may invest in bankers' acceptances.

Certificates of Deposit — Certificates of deposit are interest bearing instruments with a specific maturity. They are issued by banks and savings and loan institutions in exchange for the deposit of funds and normally can be traded in the secondary market prior to maturity. Certificates of deposit with penalties for early withdrawal will be considered illiquid. Each Portfolio may invest in certificates of deposit.

Commerical Paper — Commercial paper is a term used to describe unsecured short-term promissory notes issued by banks, municipalities, corporations and other entities. Maturities on these issues vary from a few to 270 days. The Core Fixed Income and Bond Portfolios may invest in commercial paper.

Convertible Securities — Convertible securities are corporate securities that are exchangeable for a set number of another security at a prestated price. Convertible securities typically have characteristics similar to both fixed-income and equity securities. Because of the conversion feature, the market value of a convertible security tends to move with the market value of the underlying stock. The value of a convertible security is also affected by prevailing interest rates, the credit quality of the issuer, and any call provisions. The High Yield Bond and Bond Portfolios may invest in convertible securities.

Derivatives — Derivatives are securities that derive their value from other securities. The following are considered derivative securities: options on futures, futures, options (e.g., puts and calls) swap agreements, mortgage-backed securities (CMOs, REMICs, IOs and POs), when-issued

securities and forward commitments, floating and variable rate securities, convertible securities, "stripped" U.S. Treasury securities (e.g., Receipts and STRIPs), privately issued stripped securities (e.g., TGRs, TRs and CATS). See elsewhere in this "Description of Permitted Investments and Risk Factors" for discussions of these various instruments, and see "Investment Objectives and Policies" for more information about any investment policies and limitations applicable to their use.

Equity Securities	Equity securities represent ownership interests in a company or corporation and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investments in common stocks are subject to market risks which may cause their prices to fluctuate over time. Changes in the value of portfolio securities will not necessarily affect cash income derived from these securities but will affect a Portfolio's net asset value. The High Yield Bond Portfolio may invest in equity securities.
Fixed Income Securities	Fixed income securities are debt obligations issued by corporations, municipalities and other borrowers. The market value of fixed income investments will generally change in response to interest rate changes and other factors. During periods of falling interest rates, the values of outstanding fixed income securities generally rise. Conversely, during periods of rising interest rates, the values of such securities generally decline. Moreover, while securities with longer maturities tend to produce higher yields, the prices of longer maturity securities are also subject to greater market fluctuations as a result of changes in interest rates. Changes by recognized agencies in the rating of any fixed income security and in the ability of an issuer to make payments of interest and principal will also affect the value of these investments. Changes in the value of portfolio securities will not affect cash income derived from these securities but will affect a Portfolio's net asset value. Each Portfolio may invest in fixed income securities.
Forward Foreign Currency Contracts	A forward contract involves an obligation to purchase or sell a specific currency amount at a future date, agreed upon by the parties, at a price set at the time of the contract. A Portfolio may also enter into a contract to sell, for a fixed amount of U.S. dollars or other appropriate currency, the amount of foreign currency approximating the value of some or all of a Portfolio's securities denominated in such foreign currency. At the maturity of a forward contract, a Portfolio may either sell a portfolio security and make delivery of the foreign currency, or it may retain the security and terminate its contractual obligation to deliver the foreign currency by purchasing an "offsetting" contract with the same currency trader, obligating it to purchase, on the same maturity date, the same amount of the foreign currency. A Portfolio may realize a gain or loss from currency transactions. The High Yield Bond Portfolio may invest in forward foreign currency contracts.
Futures and Options on Futures	Futures contracts provide for the future sale by one party and purchase by another party of a specified amount of a specific security at a specified future time and at a specified price. An option on a futures contract gives the purchaser the right, in exchange for a

premium, to assume a position in a futures contract at a specified exercise price during the term of the option. A Portfolio may use futures contracts and related options for bona fide hedging purposes, to offset changes in the value of securities held or expected to be acquired or be disposed of, to minimize fluctuations in foreign currencies, or to gain exposure to a particular market or instrument. A Portfolio will minimize the risk that it will be unable to close out a futures contract by only entering into futures contracts which are traded on national futures exchanges.

Stock index futures are futures contracts for various stock indices that are traded on registered securities exchanges. A stock index futures contract obligates the seller to deliver (and the purchaser to take) an amount of cash equal to a specific dollar amount times the difference between the value of a specific stock index at the close of the last trading day of the contract and the price at which the agreement is made.

There are risks associated with these activities, including the following: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates, (2) there may be an imperfect or no correlation between the changes in market value of the securities held by the Portfolio and the prices of futures and options on futures, (3) there may not be a liquid secondary market for a futures contract or option, (4) trading restrictions or limitations may be imposed by an exchange, and (5) government regulations may restrict trading in futures contracts and futures options.

A Portfolio may enter into futures contracts and options on futures contracts traded on an exchange regulated by the Commodities Futures Trading Commission ("CFTC"), so long as, to the extent that such transactions are not for "bona fide hedging purposes," the aggregate initial margin and premiums on such positions (excluding the amount by which such options are in the money) do not exceed 5% of the Portfolio's net assets. The Portfolio may buy and sell futures contracts and related options to manage its exposure to changing interest rates and securities prices. Some strategies reduce the Portfolio's exposure to price fluctuations, while others tend to increase its market exposure. Futures and options on futures can be volatile instruments and involve certain risks that could negatively impact the Portfolio's return. The Core Fixed Income and High Yield Bond Portfolios may invest in futures and options on futures.

Illiquid Securities

Illiquid securities are securities that cannot be disposed of within seven business days at approximately the price at which they are being carried on a Portfolio's books. An illiquid security includes a demand instrument with a demand notice period exceeding seven days, where there is no secondary market for such security, and repurchase agreements with durations (or maturities) over 7 days in length. Each Portfolio may invest in illiquid securities.

Junk Bonds

Bonds rated below investment grade are often referred to as "junk bonds." Such securities involve greater risk of default or price declines than investment grade securities due to changes in the issuer's creditworthiness and the outlook for economic growth. The market

for these securities may be less active, causing market price volatility and limited liquidity in the secondary market. This may limit a Portfolio's ability to sell such securities at their market value. In addition, the market for these securities may also be adversely affected by legislative and regulatory developments. Credit quality in the junk bond market can change suddenly and unexpectedly, and even recently issued credit ratings may not fully reflect the actual risks imposed by a particular security. The High Yield Bond Portfolio may invest in junk bonds.

Money Market Securities

Money market securities are high-quality, dollar-denominated, short-term debt instruments. They consist of: (i) bankers' acceptances, certificates of deposits, notes and time deposits of highly-rated U.S. banks and U.S. branches of foreign banks; (ii) U.S. Treasury obligations and obligations issued or guaranteed by the agencies and instrumentalities of the U.S. Government; (iii) high-quality commercial paper issued by U.S. and foreign corporations; (iv) debt obligations with a maturity of one year of less issued by corporations with outstanding high-quality commercial paper; and (v) repurchase agreements involving any of the foregoing obligations entered into with highly-rated banks and broker-dealers. All Portfolios may invest in money market securities.

Mortgage-Backed Securities

Mortgage-backed securities are instruments that entitle the holder to a share of all interest and principal payments from mortgages underlying the security. The mortgages backing these securities include conventional thirty-year fixed-rate mortgages, graduated payment mortgages, and adjustable rate mortgages. During periods of declining interest rates, prepayment of mortgages underlying mortgage-backed securities can be expected to accelerate. Prepayment of mortgages which underlie securities purchased at a premium often results in capital losses, while prepayment of mortgages purchased at a discount often results in capital gains. Because of these unpredictable prepayment characteristics, it is often not possible to predict accurately the average life or realized yield of a particular issue.

Government Pass-Through Securities: These are securities that are issued or guaranteed by a U.S. Government agency representing an interest in a pool of mortgage loans. The primary issuers or guarantors of these mortgage-backed securities are GNMA, FNMA and FHLMC. FNMA and FHLMC obligations are not backed by the full faith and credit of the U.S. Government as GNMA certificates are, but FNMA and FHLMC securities are supported by the instrumentalities' right to borrow from the U.S. Treasury. GNMA, FNMA and FHLMC each guarantees timely distributions of interest to certificate holders. GNMA and FNMA also each guarantees timely distributions of scheduled principal. FHLMC has in the past guaranteed only the ultimate collection of principal of the underlying mortgage loan; however, FHLMC now issues mortgage-backed securities (FHLMC Gold PCs) which also guarantee timely payment of monthly principal reductions. Government and private guarantees do not extend to the securities' value, which is likely to vary inversely with fluctuations in interest rates.

Private Pass-Through Securities: These are mortgage-backed securities issued by a non-governmental entity, such as a trust. These securities include collateralized mortgage obligations ("CMOs") and real estate mortgage investment conduits ("REMICs") that are rated in one of the top two rating categories. While they are generally structured with one or more types of credit enhancement, private pass-through securities typically lack a guarantee by an entity having the credit status of a governmental agency or instrumentality.

Collateralized Mortgage Obligations ("CMOs"): CMOs are debt obligations or multiclass pass-through certificates issued by agencies or instrumentalities of the U.S. Government or by private originators or investors in mortgage loans. In a CMO, series of bonds or certificates are usually issued in multiple classes. Principal and interest paid on the underlying mortgage assets may be allocated among the several classes of a series of a CMO in a variety of ways. Each class of a CMO, often referred to as a "tranche," is issued with a specific fixed or floating coupon rate and has a stated maturity or final distribution date. Principal payments on the underlying mortgage assets may cause CMOs to be retired substantially earlier then their stated maturities or final distribution dates, resulting in a loss of all or part of any premium paid.

REMICs: A REMIC is a CMO that qualifies for special tax treatment under the Internal Revenue Code and invests in certain mortgages principally secured by interests in real property. Investors may purchase beneficial interests in REMICs, which are known as "regular" interests, or "residual" interests. Guaranteed REMIC pass-through certificates ("REMIC Certificates") issued by FNMA or FHLMC represent beneficial ownership interests in a REMIC trust consisting principally of mortgage loans or FNMA, FHLMC or GNMA-guaranteed mortgage pass-through certificates. For FHLMC REMIC Certificates, FHLMC guarantees the timely payment of interest, and also guarantees the payment of principal as payments are required to be made on the underlying mortgage participation certificates. FNMA REMIC Certificates are issued and guaranteed as to timely distribution of principal and interest by FNMA.

Parallel Pay Securities; PAC Bonds: Parallel pay CMOs and REMICS are structured to provide payments of principal on each payment date to more than one class. These simultaneous payments are taken into account in calculating the stated maturity date or final distribution date of each class, which must be retired by its stated maturity date or final distribution date, but may be retired earlier. Planned Amortization Class CMOs ("PAC Bonds") generally require payments of a specified amount of principal on each payment date. PAC Bonds are always parallel pay CMOs with the required principal payment on such securities having the highest priority after interest has been paid to all classes.

REITs: REITs are trusts that invest primarily in commercial real estate or real estate-related loans. The value of interests in REITs may be affected by the value of the property owned or the quality of the mortgages held by the trust.

Stripped Mortgage-Backed Securities ("SMBs"): SMBs are usually structured with two classes that receive specified proportions of the monthly interest and principal payments from a pool of mortgage securities. One class may receive all of the interest payments and is thus termed an interest-only class ("IO"), while the other class may receive all of the principal payments and is thus termed the principal-only class ("PO"). The value of IOs tends to increase as rates rise and decrease as rates fall; the opposite is true of POs. SMBs are extremely sensitive to changes in interest rates because of the impact thereon of prepayment of principal on the underlying mortgage securities can experience wide swings in value in response to changes in interest rates and associated mortgage prepayment rates. During times when interest rates are experiencing fluctuations, such securities can be difficult to price on a consistent basis. The market for SMBs is not as fully developed as other markets; SMBs therefore may be illiquid.

Risk Factors: Due to the possibility of prepayments of the underlying mortgage instruments, mortgage-backed securities generally do not have a known maturity. In the absence of a known maturity, market participants generally refer to an estimated average life. An average life estimate is a function of an assumption regarding anticipated prepayment patterns, based upon current interest rates, current conditions in the relevant housing markets and other factors. The assumption is necessarily subjective, and thus different market participants can produce different average life estimates with regard to the same security. There can be no assurance that estimated average life will be a security's actual average life. The Core Fixed Income, Bond and High Yield Bond Portfolios may invest in mortgage-backed securities.

Mortgage Dollar Rolls

Mortgage "dollar rolls" are transactions in which mortgage-backed securities are sold for delivery in the current month and the seller simultaneously contracts to repurchase substantially similar securities on a specified future date. Any difference between the sale price and the purchase price is netted against the interest income foregone on the securities sold to arrive at an implied borrowing rate. Alternatively, the sale and purchase transactions can be executed at the same price, with the Portfolio being paid a fee as consideration for entering into the commitment to purchase. Mortgage dollar rolls may be renewed prior to cash settlement and initially may involve only a firm commitment agreement by the Portfolio to buy a security. If the broker-dealer to whom the Portfolio sells the security becomes insolvent, the Portfolio's right to repurchase the security may be restricted. Other risks involved in entering into mortgage dollar rolls include the risk that the value of the security may change adversely over the term of the mortgage dollar roll and that the security the Portfolio is required to repurchase may be worth less than the security that the Portfolio originally held.

To avoid any leveraging concerns, the Portfolio will place U.S. Government or other liquid, high grade assets in a segregated account in an amount sufficient to cover its repurchase obligation. The Core Fixed Income Portfolio may invest in mortgage dollar rolls.

Options

A put option gives the purchaser of the option the right to sell, and the writer of the option the obligation to buy, the underlying security at any time during the option period. A call option gives the purchaser of the option the right to buy, and the writer of the option the obligation to sell, the underlying security at any time during the option period. The premium paid to the writer is the consideration for undertaking the obligations under the option contract. The initial purchase (sale) of an option contract is an "opening transaction." In order to close out an option position, a Portfolio may enter into a "closing transaction," which is simply the sale (purchase) of an option contract on the same security with the same exercise price and expiration date as the option contract originally opened.

A Portfolio may purchase put and call options to protect against a decline in the market value of the securities in its portfolio or to anticipate an increase in the market value of securities that the Portfolio may seek to purchase in the future. A Portfolio purchasing put and call options pays a premium therefor. If price movements in the underlying securities are such that exercise of the options would not be profitable for the Portfolio, loss of the premium paid may be offset by an increase in the value of the Portfolio's securities or by a decrease in the cost of acquisition of securities by the Portfolio.

A Portfolio may write covered call options as a means of increasing the yield on its portfolio and as a means of providing limited protection against decreases in its market value. When a Portfolio sells an option, if the underlying securities do not increase or decrease to a price level that would make the exercise of the option profitable to the holder thereof, the option generally will expire without being exercised and the Portfolio will realize as profit the premium received for such option. When a call option of which a Portfolio is the writer is exercised, the Portfolio will be required to sell the underlying securities to the option holder at the strike price, and will not participate in any increase in the price of such securities above the strike price. When a put option of which a Portfolio is the writer is exercised, the Portfolio will be required to purchase the underlying securities at the strike price, which may be in excess of the market value of such securities.

A Portfolio may purchase and write options on an exchange or over-the-counter. Over-the-counter options ("OTC options") differ from exchange-traded options in several respects. They are transacted directly with dealers and not with a clearing corporation, and therefore entail the risk of non-performance by the dealer. OTC options are available for a greater variety of securities and for a wider range of expiration dates and exercise prices than are available for exchange-traded options. Because OTC options are not traded on an exchange, pricing is done normally by reference to information from a market maker. It is the position of the Securities and Exchange Commission that OTC options are generally illiquid.

A Portfolio may purchase and write put and call options on foreign currencies (traded on U.S. and foreign exchanges or over-the-counter markets) to manage its

exposure to exchange rates. Call options on foreign currency written by a Portfolio will be "covered," which means that the Portfolio will own an equal amount of the underlying foreign currency. With respect to put options on foreign currency written by a Portfolio, the Portfolio will establish a segregated account with its custodian bank consisting of cash or liquid, high grade debt securities in an amount equal to the amount the Portfolio would be required to pay upon exercise of the put.

A Portfolio may purchase and write put and call options on indices and enter into related closing transactions. Put and call options on indices are similar to options on securities except that options on an index give the holder the right to receive, upon exercise of the option, an amount of cash if the closing level of the underlying index is greater than (or less than, in the case of puts) the exercise price of the option. This amount of cash is equal to the difference between the closing price of the index and the exercise price of the option, expressed in dollars multiplied by a specified number. Thus, unlike options on individual securities, all settlements are in cash, and gain or loss depends on price movements in the particular market represented by the index generally, rather than the price movements in individual securities. A Portfolio may choose to terminate an option position by entering into a closing transaction. The ability of a Portfolio to enter into closing transactions depends upon the existence of a liquid secondary market for such transactions.

A Portfolio may engage in writing covered call options. Under a call option, the purchaser has the right to purchase and the writer (the Portfolio) the obligation to sell the underlying security at the exercise price during the option period. Options purchased by the Portfolio will be listed on a national securities exchange. In order to close out an option position, the Portfolio may enter into a "closing purchase transaction," which involves the purchase of an option on the same security at the same exercise price and expiration date. If the Portfolio is unable to effect a closing purchase transaction with respect to an option it has written, it will not be able to sell the underlying security until the options expires or the Portfolio delivers the security upon exercise. Permissible options include options on stock indices.

Even where used only for hedging purposes, options involve risks, including the following: (i) the success of any hedging strategy utilizing options will depend on an ability to predict movements in the prices of individual securities and interest rates, (ii) there may be an imperfect correlation between the movement in prices of securities held by the Portfolio and the price of options, (iii) there may not be a liquid secondary market for options, and (iv) while the Portfolio will receive a premium when it writes covered call options, it may not participate fully in any rise in the market value of the underlying security."

All options written on indices must be covered. When a Portfolio writes an option on an index, it will establish a segregated account containing cash or liquid high grade debt securities with its custodian in an amount at least equal to the market value of the option

and will maintain the account while the option is open or will otherwise cover the transaction.

Risk Factors. Risks associated with options transactions include: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (2) there may be an imperfect correlation between the movement in prices of options and the securities underlying them; (3) there may not be a liquid secondary market for options; and (4) while a Portfolio will receive a premium when it writes covered call options, it may not participate fully in a rise in the market value of the underlying security. The Core Fixed Income and High Yield Bond Portfolios may invest in options.

Receipts

Receipts are sold as zero coupon securities which means that they are sold at a substantial discount and redeemed at face value at their maturity date without interim cash payments of interest or principal. This discount is accreted over the life of the security, and such accretion will constitute the income earned on the security for both accounting and tax purposes. Because of these features, such securities may be subject to greater interest rate volatility than interest paying Permitted Investments. See also "Taxes." Each Portfolio may invest in receipts.

Repurchase Agreements

Agreements by which a Portfolio obtains a security and simultaneously commits to return the security to the seller at an agreed upon price (including principal and interest) on an agreed upon date within a number of days from the date of purchase. The Custodian or its agent will hold the security as collateral for the repurchase agreement. Collateral must be maintained at a value at least equal to 102% of the purchase price. The Portfolio bears a risk of loss in the event the other party defaults on its obligations and the Portfolio is delayed or prevented from its right to dispose of the collateral securities or if the Portfolio realizes a loss on the sale of the collateral securities. The adviser will enter into repurchase agreements on behalf of the Portfolio only with financial institutions deemed to present minimal risk of bankruptcy during the term of the agreement based on guidelines established and periodically reviewed by the Trustees. Repurchase agreements are considered loans under the 1940 Act. Each Portfolio may invest in repurchase agreements.

Securities Lending

In order to generate additional income, a Portfolio may lend securities which it owns pursuant to agreements requiring that the loan be continuously secured by collateral consisting of cash, securities of the U.S. Government or its agencies equal to at least 100% of the market value of the securities lent. A Portfolio continues to receive interest on the securities lent while simultaneously earning interest on the investment of cash collateral. Collateral is marked to market daily. There may be risks of delay in recovery of the securities or even loss of rights in the collateral should the borrower of the securities fall financially or become insolvent. The High Yield Bond Portfolio may lend securities.

Securities of Foreign Issuers	There are certain risks connected with investing in foreign securities. These include risks of adverse political and economic developments (including possible governmental seizure or

nationalization of assets), the possible imposition of exchange controls or other governmental restrictions, less uniformity in accounting and reporting requirements, the possibility that there will be less information on such securities and their issuers available to the public, the difficulty of obtaining or enforcing court judgments abroad, restrictions on foreign investments in other jurisdictions, difficulties in effecting repatriation of capital invested abroad, and difficulties in transaction settlements and the effect of delay on shareholder equity. Foreign securities may be subject to foreign taxes, and may be less marketable than comparable U.S. securities. The value of a Portfolio's investments denominated in foreign currencies will depend on the relative strengths of those currencies and the U.S. dollar, and a Portfolio may be affected favorably or unfavorably by changes in the exchange rates or exchange control regulations between foreign currencies and the U.S. dollar. Changes in foreign currency exchange rates also may affect the value of dividends and interest earned, gains and losses realized on the sale of securities and net investment income and gains, if any, to be distributed to shareholders by a Portfolio. The High Yield Bond Portfolio may invest in securities of foreign issuers.

U.S. Government Agencies	Obligations issued or guaranteed by agencies of the U.S. Government, including, among others, the Federal Farm Credit Bank, the Federal Housing Administration and the Small Business Administration, and obligations issued or guaranteed by instrumentalities of the U.S. Government, including, among others, the Federal Home Loan Mortgage Corporation, the Federal Land Banks and the U.S. Postal Service. Some of these securities are supported by the full faith and credit of the U.S. Treasury (e.g., Government National Mortgage Association), others are supported by the right of the issuer to borrow from the Treasury (e.g., Federal Farm Credit Bank), while still others are supported only by the credit of the instrumentality (e.g., Federal National Mortgage Association). Guarantees of principal by agencies or instrumentalities of the U.S. Government may be a guarantee of payment at the maturity of the obligation so that in the event of a default prior to maturity there might not be a market and thus no means of realizing on the obligation prior to maturity. Guarantees as to the timely payment of principal and interest do not extend to the value or yield of these securities nor to the value of the Portfolio's shares. Each Portfolio may invest in obligations issued or guaranteed by U.S. Government agencies.
U.S. Treasury Obligations	U.S. Treasury obligations consist of bills, notes and bonds issued by the U.S. Treasury and separately traded interest and principal component parts of such obligations that are transferable through the Federal book-entry system known as Separately Traded Registered Interest and Principal Securities ("STRIPS"). Each Portfolio may invest in U.S. Treasury obligations.

U.S. Treasury Receipts	U.S. Treasury receipts are interests in separately traded interest and principal component parts of U.S. Treasury obligations that are issued by banks or brokerage firms and are created by depositing U.S. Treasury obligations into a special account at a custodian bank. The Custodian holds the interest and principal payments for the benefit of the registered

	owners of the certificates of receipts. The Custodian arranges for the issuance of the certificates or receipts evidencing ownership and maintains the register. Receipts include "Treasury Receipts" ("TRs"), "Treasury Investment Growth Receipts" (TIGRs"), "Liquid Yield Option Notes" ("LYONs") and "Certificates of Accrual on Treasury Securities" ("CATS"). TIGRs and CATS are interests in private proprietary accounts while TRs are interests in accounts sponsored by the U.S. Treasury. Each Portfolio may invest in U.S. Treasury receipts.
Variable and Floating Rate Instruments	Certain obligations may carry variable or floating rates of interest, and may involve a conditional or unconditional demand feature. Such instruments bear interest at rates which are not fixed, but which vary with changes in specified market rates or indices. The interest rates on these securities may be reset daily, weekly, quarterly or some other reset period, and may have a floor or ceiling on interest rate changes. There is a risk that the current interest rate on such obligations may not accurately reflect existing market interest rates. A demand instrument with a demand notice exceeding seven days may be considered illiquid if there is no secondary market for such security. Each Portfolio may invest in variable and floating rate instruments.
Warrants	Warrants are instruments giving holders the right, but not the obligation, to buy shares of a company at a given price during a specified period. The Core Fixed Income and High Yield Bond Portfolios may invest in warrants.
When-Issued and Delayed Delivery Securities	When-issued or delayed delivery basis transactions involve the purchase of an instrument with payment and delivery taking place in the future. Delivery of and payment for these securities may occur a month or more after the date of the purchase commitment. The Portfolio will maintain with the custodian a separate account with liquid high grade debt securities or cash in an amount at least equal to these commitments. The interest rate realized on these securities is fixed as of the purchase date and no interest accrues to the Portfolio before settlement. These securities are subject to market fluctuation due to changes in market interest rates and it is possible that the market value at the time of settlement could be higher or lower than the purchase price if the general level of interest rates has changed. Although a Portfolio generally purchases securities on a when-issued or forward commitment basis with the intention of actually acquiring securities, a Portfolio may dispose of a when-issued security or forward commitment prior to settlement if it deems appropriate. Each Portfolio may invest in when-issued and delayed delivery securities.
Yankee Obligations	Yankee obligations ("Yankees") are U.S. dollar-denominated instruments of foreign issuers who either register with the Securities and Exchange Commission or issue under Rule 144(A). These consist of debt securities (including preferred or preference stock of non-governmental issuers), certificates of deposit, fixed time deposits and bankers' acceptances issued by foreign banks, and debt obligations of foreign governments or their subdivisions, agencies and

instrumentalities, international agencies and supranational entities. Some

securities issued by foreign governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of the foreign government.

Investing in the securities of issuers based in any foreign country involves special risks and considerations not typically associated with investing in U.S. companies. These include risks resulting from differences in accounting, auditing and financial reporting standards, lower liquidity than U.S. fixed income or debt securities, the possibility of nationalization, expropriation or confiscatory taxation; adverse changes in investment or exchange control regulations and political instability. There may be less publicly available information concerning foreign issuers of securities held by the Portfolio than is available concerning U.S. issuers. Purchases and sales of foreign securities and dividends and interest payable on those securities may be subject to foreign taxes and taxes may be withheld from dividend and interest payments on those securities. Foreign securities often trade with less frequency and volume than domestic securities and therefore may exhibit greater price volatility and a greater risk of liquidity.

The yankee obligations selected for the Portfolio will adhere to the same quality standards as those utilized for the selection of domestic debt obligations. The Core Fixed Income Portfolio may invest in yankee obligations.

Zero Coupon, Pay-In-Kind and Deferred Payment Securities

Zero coupon securities are securities that are sold at a discount to par value and securities on which interest payments are not made during the life of the security. Upon maturity, the holder is entitled to receive the par value of the security. While interest payments are not made on such securities, holders of such securities are deemed to have received "phantom income" annually. Because a Portfolio will distribute its "phantom income" to shareholders, to the extent that shareholders elect to receive dividends in cash rather than reinvesting such dividends in additional shares, a Portfolio will have fewer assets with which to purchase income producing securities. Alternatively, shareholders may have to redeem shares to pay tax on this "phantom income." In either case, the Portfolio may have to dispose of its portfolio securities under disadvantageous circumstances to generate cash, or may have to leverage itself by borrowing cash to satisfy distribution requirements. A Portfolio accrues income with respect to the securities prior to the receipt of cash payments. Pay-in-kind securities are securities that have interest payable by delivery of additional securities. Deferred payment securities are securities that remain zero coupon securities until a predetermined date, at which time the stated coupon rate becomes effective and interest becomes payable at regular intervals. Zero coupon, pay-in-kind and deferred payment securities may be subject to greater fluctuation in value and lesser liquidity in the event of adverse market conditions that comparably rated securities paying cash interest at regular interest payment periods. The High Yield Bond Portfolio may invest in zero coupon, pay-in-kind and deferred payment securities.

Additional information on permitted investments and risk factors can be found in the Statement of Additional Information.

MOODY'S RATING DEFINITIONS

LONG TERM

Aaa Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edged". Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat larger than the Aaa securities.

A Bonds which are rated A possess many favorable investment attributes and are to be considered as upper-medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment some time in the future.

Baa Bonds which are rated Baa are considered as medium-grade obligations (i.e., they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B Bonds which are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C Bonds which are rated C are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Moody's bond ratings, where specified, are applied to senior bank obligations and insurance company senior policyholder and claims obligations with an original maturity in excess of one year. Obligations relying upon support mechanisms such as letters-of-credit and bonds of indemnity are excluded unless explicitly rated.

Obligations of a branch of a bank are considered to be domiciled in the country in which the branch is located. Unless noted as an exception, Moody's rating on a bank's ability to repay senior obligations extends only to branches located in countries which carry a Moody's sovereign rating. Such branch obligations are rated at the lower of the bank's rating or Moody's sovereign rating for the bank deposits for the country in which the branch is located.

When the currency in which an obligation is denominated is not the same as the currency of the country in which the obligation is domiciled, Moody's ratings do not incorporate an opinion as to whether payment of the obligation will be affected by the actions of the government controlling the currency of denomination. In addition, risk associated with bilateral conflicts between an investor's home country and either the issuer's home country or the country where an issuer branch is located are not incorporated into Moody's ratings.

Moody's makes no representation that rated bank obligations or insurance company obligations are exempt from registration under the U.S. Securities Act of 1933 or issued in conformity with any other applicable law or regulation. Nor does Moody's represent that any specific bank or insurance company obligation is legally enforceable or is a valid senior obligation of a rated issuer.

Moody's ratings are opinions, not recommendations to buy or sell, and their accuracy is not guaranteed. A rating should be weighed solely as one factor in an investment decision and you should make your own study and evaluation of any issuer whose securities or debt obligations you consider buying or selling.

NOTE: Moody's applies numerical modifiers, 1, 2 and 3 in each generic rating classification from Aa through B in its corporate bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

STANDARD & POOR'S RATINGS DEFINITIONS

A Standard & Poor's corporate or municipal debt rating is a current assessment of creditworthiness of an obligor with respect to a specific obligation. This assessment may take into consideration obligors such as guarantors, insurers, or lessees.

The debt rating is not a recommendation to purchase, sell or hold a security, as it does not comment on market price or suitability for a particular investor.

The ratings are based, in varying degrees, on the following considerations:

(1) Likelihood of default. The rating assesses the obligor's capacity and willingness as to timely payment of interest and repayment of principal in accordance with the terms of the obligation.

(2) The obligation's nature and provisions.

(3) Protection afforded to, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditor's rights.

Likelihood of default is indicated by an issuer's senior debt rating. If senior debt is not rated, an implied senior debt rating is determined. Subordinated debt usually is rated lower than senior debt to better reflect relative position of the obligation in bankruptcy. Unsecured debt, where significant secured debt exists, is treated similarly to subordinated debt.

LONG-TERM

Investment Grade

AAA Debt rated 'AAA' has the highest rating assigned by S&P. Capacity to pay interest and repay principal is extremely strong.

AA Debt rated 'AA' has a very strong capacity to pay interest and repay principal and differs from the highest rated debt only in small degree.

A Debt rated 'A' has a strong capacity to pay interest and repay principal, although it is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than debt in higher-rated categories.

BBB Debt rated 'BBB' is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher rated categories.

Speculative Grade

Debt rated 'BB', 'B', 'CCC', 'CC', and 'C' is regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal. 'BB' indicates the least degree of speculation and 'C' the highest degree of speculation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse conditions.

BB Debt rated 'BB' has less near-term vulnerability to default than other speculative grade debt. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to inadequate capacity to meet timely interest and principal payments. The 'BB' rating category is also used for debt subordinated to senior debt that is assigned an actual or implied 'BBB-' rating.

B Debt rate 'B' has greater vulnerability to default but presently has the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions would likely impair capacity or willingness to pay interest and repay principal. The 'B' rating category also is used for debt subordinated to senior debt that is assigned an actual or implied 'BB' or 'BB-' rating.

CCC Debt rated 'CCC' has a current identifiable vulnerability to default, and is dependent on favorable business, financial and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial, or economic conditions, it is not likely to have the capacity to pay interest and repay principal.

The 'CCC' rating category also is used for debt subordinated to senior debt that is assigned an actual or implied 'B' or 'B-' rating.

CC The rating 'CC' is typically applied to debt subordinated to senior debt which is assigned an actual or implied 'CCC' rating.

C The rating 'C' is typically applied to debt subordinated to senior debt which is assigned an actual or implied 'CCC-' debt rating. The 'C' rating may be used to cover a situation where a bankruptcy petition has been filed, but debt service payment are continued.

CI Debt rated 'CI' is reserved for income bonds on which no interest is being paid.

D Debt is rated 'D' when the issue is in payment default, or the obligor has filed for bankruptcy. The 'D' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless S&P believes that such payments will be made during such grace period.

Plus (+) or minus (-): The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

C The letter 'c' indicates that the holder's option to tender the security for purchase may be canceled under certain prestated conditions enumerated in the tender option documents.

P The letter 'p' indicates that the rating is provisional. A provisional rating assumes the successful completion of the project financed by the debt being rated and indicates that payment of the debt service requirements is largely or entirely dependent upon the successful timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of, or the risk of default upon failure of such completion. The investor should exercise his own judgement with respect to such likelihood and risk.

L The letter 'L' indicates that the rating pertains to the principal amount of those bonds to the extent that the underlying deposit collateral is federally insured, and interest is adequately collateralized. In the case of certificates of deposit, the letter "L' indicates that the deposit, combined with other deposits being held in the same right and capacity, will be honored for principal and pre-default interest up to federal insurance limits within 30 days after closing of the insured institution or, in the event that the deposit is assumed by a successor insured institution, upon maturity.

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* Continuance of the rating is contingent upon S&P's receipt of an executed copy of the escrow agreement or closing documentation confirming investments and cash flows.

N.R. Not rated.

Debt obligations of issuers outside the United States and its territories are rated on the same basis as domestic corporate and municipal issues. The ratings measure the creditworthiness of the obligor but do not take into account currency exchange and related uncertainties.

If an issuer's actual or implied senior debt rating is 'AAA', its subordinated or junior debt is rated 'AAA' or 'AA+'. If an issuer's actual or implied senior debt rating is lower than 'AAA' but higher than 'BB+', its junior debt is typically rated one

designation lower than the senior debt ratings. For example, if the senior debt rating is 'A', subordinated debt normally would be rated 'A-'. If an issuer's actual or implied senior debt rating is 'BB+' or lower, its subordinated debt is typically rated two designations lower than the senior debt rating.

NOTE: The term "investment grade" was originally used by various regulatory bodies to connote obligations eligible for investment by institutions such as banks, insurance companies, and savings and loan associations. Over time, this term gained widespread usage throughout the investment community. Issues rated in the four highest categories, 'AAA', 'AA', 'A', 'BBB', generally are recognized as being investment grade. Debt 'BB' or below generally is referred to as speculative grade. The term "junk bond" is merely a more irreverent expression for this category of more risky debt. Neither term indicates which securities S&P deems worthy of investment, as an investor with a particular risk preference may appropriately invest in securities that are not investment grade.

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PROSPECTUS
JANUARY 31, 1995

CORE FIXED INCOME PORTFOLIO
BOND PORTFOLIO
HIGH YIELD BOND PORTFOLIO

Please read this Prospectus carefully before investing, and keep it on file for future reference. It contains information that can help you decide if a Portfolio's investment goals match your own.

A Statement of Additional Information (SAI) dated January 31, 1995 has been filed with the Securities and Exchange Commission and is available without charge through the Distributor, SEI Financial Services Company, 680 East Swedesford Road, Wayne, PA 19087 or by calling 1-800-437-6016. The Statement of Additional Information is incorporated into this Prospectus by reference.

SEI Institutional Managed Trust (the "Trust") is a mutual fund that offers shareholders a convenient means of investing their funds in one or more professionally managed diversified and non-diversified portfolios of securities. The Core Fixed Income, Bond and High Yield Bond Portfolios, investment portfolios of the Trust, offer three classes of shares, Class A shares, Class B shares and ProVantage Funds shares. ProVantage Funds shares differ from Class A and Class B shares primarily in the imposition of sales charges and the allocation of certain distribution expenses and transfer agent fees. ProVantage Funds shares are available through SEI Financial Services Company (the Trust's distributor) and through participating broker-dealers, financial institutions and other organizations. This Prospectus offers the ProVantage Funds shares of the fixed income portfolios (the "Portfolios," and each of these a "Portfolio") listed above.

THE HIGH YIELD BOND PORTFOLIO INVESTS PRIMARILY AND MAY INVEST ALL OF ITS ASSETS IN LOWER RATED BONDS, COMMONLY REFERRED TO AS "JUNK BONDS." THESE SECURITIES ARE SPECULATIVE AND ARE SUBJECT TO GREATER RISK OF LOSS OF PRINCIPAL AND INTEREST THAN ARE INVESTMENTS IN HIGHER RATED BONDS. BECAUSE INVESTMENT IN SUCH SECURITIES ENTAILS GREATER RISKS, INCLUDING RISK OF DEFAULT, AN INVESTMENT IN THE HIGH YIELD BOND PORTFOLIO SHOULD NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND MAY NOT BE APPROPRIATE FOR ALL INVESTORS. INVESTORS SHOULD CAREFULLY CONSIDER THE RISKS POSED BY AN INVESTMENT IN THE HIGH YIELD BOND PORTFOLIO BEFORE INVESTING. SEE "INVESTMENT OBJECTIVES AND POLICIES," "RISK FACTORS RELATED TO INVESTING IN LOWER RATED SECURITIES" AND THE "APPENDIX."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE TRUST'S SHARES ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK. THE TRUST'S SHARES ARE NOT FEDERALLY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER GOVERNMENT AGENCY. INVESTMENT IN THE SHARES INVOLVES RISK, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

HOW TO READ THIS PROSPECTUS

This Prospectus gives you information that you should know about the Portfolios before investing. Brief descriptions are also provided throughout the Prospectus to better explain certain key points. To find these helpful guides, look for this symbol. (SYMBOL APPEARS HERE)

FUND HIGHLIGHTS

The following summary provides basic information about the ProVantage Funds shares of the Trust's Core Fixed Income, Bond and High Yield Bond Portfolios. This summary is qualified in its entirety by reference to the more detailed information provided elsewhere in this Prospectus and in the Statement of Additional Information.

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INVESTMENT OBJECTIVES AND POLICIES	Below are the investment objectives and policies for each Portfolio. For more information, see "Investment Objectives and Policies" and "Description of Permitted Investments and Risk Factors."
CORE FIXED INCOME PORTFOLIO	The Core Fixed Income Portfolio seeks to provide current income consistent with the preservation of capital by investing primarily in corporate bonds and debentures, obligations issued by the United States Government and its agencies and instrumentalities, collateralized mortgage obligations and asset-backed securities.
BOND PORTFOLIO	The Bond Portfolio seeks to provide current income consistent with the preservation of capital by investing primarily in corporate bonds and debentures, obligations issued by the United States Government and its agencies and instrumentalities, custodial receipts, convertible securities and preferred stock.
HIGH YIELD BOND PORTFOLIO	The High Yield Bond Portfolio seeks to maximize total return by investing primarily in a diversified portfolio of high yield, lower rated fixed income securities.
UNDERSTANDING RISK	Shares of the Portfolios, like shares of any mutual fund, will fluctuate in value and when you sell your shares, they may be worth more or less than what you paid for them. The value of fixed income funds and the fixed income securities in which they invest tend to vary inversely with interest rates and may be affected by other market and economic factors as well. The High Yield Bond Portfolio invests primarily in lower rated bonds which are considered speculative and are subject to greater loss of principal and interest than investments in higher rated bonds. There is no assurance that the Portfolios will achieve their investment objectives.

MANAGEMENT PROFILE	WESTERN ASSET MANAGEMENT serves as the investment adviser of the Core Fixed Income Portfolio. BOATMEN'S TRUST COMPANY serves as the investment adviser of the Bond Portfolio. SEI FINANCIAL MANAGEMENT CORPORATION serves as the investment adviser of the High Yield Bond Portfolio. CS FIRST BOSTON MANAGMENT CORPORATION serves as the investment sub-adviser of the High Yield Bond Portfolio. SFM serves as the manager, shareholder servicing agent and transfer agent of the Trust. SEI Financial Services Company acts as distributor of the Trust's shares. See "The Manager and Shareholder Servicing Agent," "The Advisers and Sub-Advisers" and "Distribution."

....

(SYMBOL APPEARS HERE) PROVANTAGE FUNDS

Believing that no single investment manager can deliver outstanding performance in every investment category, only those advisers who have distinguished themselves within their areas of specialization are selected to advise our mutual funds.

....

YOUR ACCOUNT AND DOING BUSINESS WITH PROVANTAGE FUNDS	You may open an account with just $1,000 and make additional investments with as little as $100. ProVantage Funds shares of the Portfolios are offered at net asset value per share plus a maximum sales charge at the time of purchase of 4.50%. Shareholders who purchase higher amounts may qualify for a reduced sales charge. Redemptions of a Portfolio's shares are made at net asset value per share. See "Your Account and Doing Business with ProVantage Funds" and "Additional Information About Doing Business with Us."
DIVIDENDS	Substantially all of the net investment income (exclusive of capital gains) of each Portfolio is distributed in the form of dividends that will be paid monthly. Any realized net capital gain is distributed at least annually. Distributions are paid in additional shares unless the shareholder elects to take the payment in cash. See "Dividends."
INFORMATION/ SERVICE CONTACTS	For more information about ProVantage Funds call SEI Financial Services Company at 1-800-437-6016.

SHAREHOLDER TRANSACTION EXPENSES (as a percentage of offering price)

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	CORE FIXED INCOME PORTFOLIO	BOND PORTFOLIO	HIGH YIELD BOND PORTFOLIO
<S>	<C>	<C>	<C>
Maximum Sales Charge Imposed on Purchases	4.50%	4.50%	4.50%
Maximum Sales Charge Imposed on Reinvested Dividends	None	None	None
Redemption Fees (1)	None	None	None

<CAPTION>
ANNUAL OPERATING EXPENSES (as a percentage of average net assets)

<S>	<C>	<C>	<C>
Management/Advisory Fees (after fee waiver) (2)	.45%	.44%	.73%
12b-1 Fees (3)	.31%	.33%	.32%
Other Expenses (4)	.19%	.18%	.20%

Total Operating Expenses (after fee waiver) (5)	.95%	.95%	1.25%

</TABLE>

(1) A charge, currently $10.00, is imposed on wires of redemption proceeds of the Portfolios' ProVantage Funds shares.
(2) SEI Financial Management Corporation ("SFM"), the Manager, has agreed to waive, on a voluntary basis, a portion of its management fee, and the management/advisory fee shown reflect this voluntary waiver. SFM reserves the right to terminate this waiver at any time in its sole discretion. Absent such fee waiver, management/advisory fees would be: Core Fixed Income Portfolio, .56%; Bond Portfolio, .56%; and High Yield Bond Portfolio, .8375%.
(3) The 12b-1 fees shown include both the Portfolio's current 12b-1 budget for reimbursement of expenses and the Distributor's voluntary waiver of a portion of its compensatory fee. The Distributor reserves the right to terminate its waiver at any time in its sole discretion. The maximum 12b-1 fees payable by the ProVantage Funds shares of each Portfolio are .60%.
(4) Other Expenses for the High Yield Bond Portfolio are based on estimated amounts for the current fiscal year.
(5) Absent the voluntary fee waivers described above, total operating expenses for ProVantage Funds shares would be: Core Fixed Income Portfolio, 1.06%; Bond Portfolio, 1.07%; and High Yield Bond Portfolio, 1.41%.

EXAMPLE

<TABLE>
<CAPTION>

<S>	1 YR. <C>	3 YRS. <C>	5 YRS. <C>	10 YRS. <C>
An investor would pay the following expenses on a $1000 investment assuming (1) imposition of the maximum sales load, (2) 5% annual return and (3) redemption at the end of each time period:				
Core Fixed Income Portfolio	$54.00	$74.00	$95.00	$156.00
Bond Portfolio	$54.00	$74.00	$95.00	$156.00
High Yield Bond Portfolio	$57.00	$83.00	--	--

</TABLE>

THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN.

The purpose of the expense table and example is to assist the investor in understanding the various costs and expenses that may be directly or indirectly borne by investors in ProVantage Funds shares of each Portfolio. A person who purchases shares through an account with a financial institution may be charged separate fees by that institution. The information set forth in the foregoing table and example relates only to the ProVantage Funds shares. Each Portfolio also offers Class A and Class B shares, which are subject to the same expenses, except that there are no sales loads, different distribution costs and no transfer agent costs. Additional information may be found under "The Manager and Shareholder Servicing Agent," "The Advisers and Sub-Advisers" and "Distribution."

The rules of the Securities and Exchange Commission require that the maximum sales charge be reflected in the above table. However, certain investors may qualify for reduced sales charges. See "Your Account and Doing Business with ProVantage Funds" and "Additional Information About Doing Business with ProVantage Funds."

Long-term shareholders may pay more than the economic equivalent of the maximum front-end sales charges otherwise permitted by the Rules of Fair Practice (the "Rules") of the National Association of Securities Dealers, Inc. ("NASD").

FINANCIAL HIGHLIGHTS

The following information has been audited by Price Waterhouse LLP, the Trust's independent accountants, as indicated in their report dated November 11, 1994 on the Trust's financial statements as of September 30, 1994 included in the Trust's Statement of Additional Information under "Financial Information." Additional performance information is set forth in the 1994 Annual Report to Shareholders and is available upon request and without charge by calling 1-800-437-6016. As of the most recent fiscal year, there were no shares outstanding of the High Yield Bond Portfolio. This table should be read in conjunction with the Trust's financial statements and notes thereto.

FOR A PROVANTAGE FUNDS SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

	Core Fixed Income Portfolio (1)(2) For the period ended September 30, 1994 (3)
<S>	<C>
Net Asset Value, Beginning of Period	$9.77
Income from Investment Operations:	
Net Investment Income (Loss)	0.21
Net Realized and Unrealized Gains (Losses) on Securities	(0.15)
Total from Investment Operations	$0.06
Less Distributions:	
Dividends from Net Investment Income	(0.18)
Distributions from Realized Capital Gains	--
Total Distributions	$(0.18)
Net Asset Value, End of Period	$9.65
Total Return	3.29%*
Ratios/Supplemental Data:	
Net Assets, End of Period (000)	$44
Ratio of Expenses to Average Net Assets	0.92%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	1.00%
Ratio of Net Investment Income (Loss) to Average Net Assets	5.91%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	5.83%
Portfolio Turnover Rate	370%

</TABLE>

* Sales load is not reflected in total return.

(1) Core Fixed Income Portfolio's Investment Adviser changed on January 19, 1994.

(2) During the year ended September 30, 1994, the Limited Volatility Bond Portfolio changed its name to Intermediate Bond Portfolio. On December 16, 1994, the Intermediate Bond Portfolio changed its name to the Core Fixed Income Portfolio.

(3) Core Fixed Income ProVantage Funds shares were offered beginning May 9, 1994. All ratios including total return for that period have been annualized.

FOR A PROVANTAGE FUNDS SHARE OUTSTANDING THROUGHOUT THE PERIOD

<TABLE>
<CAPTION>

	Bond Portfolio For the periods ended September 30, 1994	1993 (1)
Net Asset Value, Beginning of Period	$12.24	$12.07
Income from Investment Operations:		
Net Investment Income (Loss)	0.58	0.07
Net Realized and Unrealized Gains (Losses) on Securities	(1.64)	0.15
Total from Investment Operations	$(1.06)	$0.22
Less Distributions:		
Dividends from Net Investment Income	(0.56)	(0.05)
Distributions from Realized Capital Gains	(0.68)	--
Total Distributions	$(1.24)	$(0.05)
Net Asset Value, End of Period	$9.94	$12.24
Total Return	(9.37)%*	14.75%*
Ratios/Supplemental Data:		
Net Assets, End of Period (000)	$106	$2
Ratio of Expenses to Average Net Assets	0.95%	0.95%
Ratio of Expenses to Average Net Assets (Excluding Waivers)	1.86%	1.06%
Ratio of Net Investment Income (Loss) to Average Net Assets	5.38%	4.66%
Ratio of Net Investment Income (Loss) to Average Net Assets (Excluding Waivers)	4.47%	4.55%
Portfolio Turnover Rate	73%	47%

</TABLE>

*   Sales load is not reflected in total return.

(1) Bond ProVantage Funds shares were offered beginning August 16, 1993. All Ratios including total return for that period have been annualized.

YOUR ACCOUNT AND DOING BUSINESS WITH PROVANTAGE FUNDS

ProVantage Funds shares of the Portfolios are sold on a continuous basis and may be purchased directly from the Trust's Distributor, SEI Financial Services Company. Shares may also be purchased through financial institutions, broker-dealers, or other organizations which have established a dealer agreement or other arrangement with SEI Financial Services Company ("Intermediaries"). For more information about the following topics, see "Additional Information About Doing Business with Us."

HOW TO BUY, SELL AND EXCHANGE SHARES THROUGH INTERMEDIARIES

ProVantage Funds shares of the Portfolios may be purchased through Intermediaries which provide various levels of shareholder services to their customers. Contact your Intermediary for information about the services available to you and for specific instructions on how to buy, sell and exchange shares. To allow for processing and transmittal of orders to the Distributor on the same day, Intermediaries may impose earlier cut-off times for receipt of purchase orders. Certain Intermediaries may charge customer account fees. Information concerning shareholder services and any charges will be provided to the customer by the Intermediary. Certain of these Intermediaries may be required to register as broker/dealers under state law.

The shares you purchase through an Intermediary may be held "of record" by that Intermediary. If you want to transfer the registration of shares beneficially owned by you, but held "of record" by an Intermediary, you should call the Intermediary to request this change.

....

(SYMBOL APPEARS HERE) WHAT IS AN INTERMEDIARY?

Any entity, such as a bank, broker-dealer, other financial institution, association or organization which has entered into an arrangement with the Distributor to sell ProVantage Funds shares to its customers.

....

HOW TO BUY SHARES FROM THE DISTRIBUTOR

Application forms can be obtained by calling SEI Financial Services Company at 1-800-437-6016. ProVantage Funds shares of the Portfolios are offered only to residents of states in which the shares are eligible for purchase.

Opening an Account By Check

You may buy ProVantage Funds shares by mailing a completed application and a check (or other negotiable bank instrument or money order) payable to "ProVantage Funds (Portfolio Name)." If you send a check that does not clear, the purchase will be canceled and you could be liable for any losses or fees incurred.

By Fed Wire

To buy shares by Fed Wire call SEI Financial Services Company toll-free at 1-800-437-6016.

Automatic Investment Plan ("AIP")

You may systematically buy ProVantage Funds shares through deductions from your checking or savings accounts, provided these accounts are maintained through banks which are part of the Automated Clearing House ("ACH") system. You may purchase shares on a fixed schedule (semi-monthly or monthly) with amounts as low as $25, or as high as $100,000. Upon notice, the amount you commit to AIP may be changed or canceled at any time. The AIP is subject to account minimum initial puchase amounts and manimum maintained balance requirements discussed under "Additional Information About Doing Business With Us".

OTHER INFORMATION ABOUT BUYING SHARES

Sales Charges

Your purchase is subject to a sales charge which varies depending on the size of your purchase. The following table shows the regular sales charges on ProVantage Funds shares of the Portfolios to a "single purchaser," together with the reallowance paid to dealers and the agency commission paid to brokers (collectively the "commission"):

<TABLE>
<CAPTION>

AMOUNT OF PURCHASE	SALES CHARGE AS A PERCENTAGE OF OFFERING PRICE	SALES CHARGE AS APPROPRIATE PERCENTAGE OF NET AMOUNT INVESTED	REALLOWANCE AND BROKERAGE COMMISSION AS PERCENTAGE OF OFFERING PRICE
<S>	<C>	<C>	<C>
less than $50,000	4.50%	4.71%	4.00%
$50,000 but less than $100,000	4.00%	4.17%	3.50%
$100,000 but less than $250,000	3.50%	3.63%	3.00%
$250,000 but less than $500,000	2.50%	2.56%	2.00%
$500,000 but less than $1,000,000	2.00%	2.04%	1.75%
$1,000,000 but less than $2,000,000	1.00%	1.01%	1.00%
$2,000,000 but less than $4,000,000	.50%	.50%	.50%
Over $4,000,000	none	none	none

</TABLE>

The commissions shown in the table above apply to sales through Intermediaries. Under certain circumstances, commissions up to the amount of the entire sales charge may be re-allowed to certain Intermediaries, who might then be deemed to be "underwriters" under the Securities Act of 1933, as amended.

Right of Accumulation

A Right of Accumulation allows you, under certain circumstances, to combine your current purchase with the current market value of previously purchased shares of each Portfolio and ProVantage Funds shares of other portfolios ("Eligible Portfolios") in order to obtain a reduced sales charge.

Letter of Intent

A Letter of Intent allows you, under certain circumstances, to aggregate anticipated purchases over a 13-month period to obtain a reduced sales charge.

Sales Charge Waiver

Certain shareholders may qualify for a sales charge waiver. To determine whether or not you qualify for a sales charge waiver see "Additional Information About Doing Business with Us." Shareholders who qualify for a sales charge waiver must notify the Transfer Agent before purchasing shares.

EXCHANGING SHARES

When Can You Exchange Shares?

Once good payment for your shares has been received and accepted (i.e., an account has been established), you may exchange some or all of your shares for ProVantage Funds shares of other portfolios. Exchanges are made at net asset value plus any applicable sales charge.

When Do Sales Charges Apply to an Exchange?

Portfolios that are not money market portfolios currently impose a sales charge on ProVantage Funds shares. If you exchange into one of these "non-money market" portfolios, you will have to pay a sales charge on any portion of your exchanged ProVantage Funds shares for which you have not previously paid a sales charge.

If you previously paid a sales charge on your ProVantage Funds shares, no additional sales charge will be assessed when you exchange those ProVantage Funds shares for other ProVantage Funds shares.

....

(SYMBOL APPEARS HERE) HOW DOES AN EXCHANGE TAKE PLACE?

When making an exchange, you authorize the sale of your shares of one or more Portfolios in order to purchase the shares of another Portfolio. In other words, you are executing a sell order and then a buy order. This sale of your shares is a taxable event which could result in a taxable gain or loss.

....

If you buy ProVantage Funds shares of a "non-money market" fund and you receive a sales charge waiver, you will be deemed to have paid the sales charge for purposes of this exchange privilege. In calculating any sales charge payable on your exchange, the Trust will assume that the first shares you exchange are those on which you have already paid a sales charge. Sales charge waivers may also be available under certain circumstances described in the portfolios' prospectuses.

The Trust reserves the right to change the terms and conditions of the exchange privilege discussed herein, or to terminate the exchange privilege, upon 60 days' notice. The Trust also reserves the right to deny an exchange request made within 60 days of the purchase of a non-money market portfolio.

Requesting an Exchange of Shares

To request an exchange, you must provide proper instructions in writing to SFM. Telephone exchanges will also be accepted if you previously elected this option on your account application.

In the case of shares held "of record" by an Intermediary but beneficially owned by you, you should contact the Intermediary who will contact SFM and effect the exchange on your behalf.

HOW TO SELL SHARES THROUGH THE DISTRIBUTOR

To sell your shares, a written request for redemption in good order must be received by SFM. Valid written redemption requests will be effective on receipt. All shareholders of record must sign the redemption request.

By Mail

For information about the proper form of redemption requests, call 1-800-437-6016. You may also have the proceeds mailed to an address of record or mailed (or sent by ACH) to a commercial bank account previously designated on the Account Application or specified by written instruction to SEI Financial Services Company. There is no charge for having redemption requests mailed to a designated bank account.

By Telephone

You may sell your shares by telephone if you previously elected that option on the Account Application. You may have the proceeds mailed to the address of record, wired or sent by ACH to a commercial bank account previously designated on the Account Application. Under most circumstances, payments will be transmitted on the next Business Day following receipt of a valid telephone request for redemption. Wire redemption requests may be made by calling SEI Financial Services Company at 1-800-437-6016, who will subtract a wire redemption charge (presently $10.00) from the amount of the redemption.

....

(SYMBOL APPEARS HERE) WHAT IS A SIGNATURE GUARANTEE?

A signature guarantee verifies the authenticity of your signature and may be obtained from any of the following: banks, brokers, dealers, certain credit unions, securities exchange or association, clearing agency or savings association. A notary public cannot provide a signature guarantee.

....

Systematic Withdrawal Plan ("SWP")

You may establish a systematic withdrawal plan for an account with a $10,000 minimum balance. Under the plan, redemptions can be automatically processed from accounts (monthly, quarterly, semi-annually or annually) by check or by ACH with a minimum redemption amount of $50.

INVESTMENT OBJECTIVES AND POLICIES

CORE FIXED INCOME PORTFOLIO

The investment objective of the Core Fixed Income Portfolio (formerly the Intermediate Bond Portfolio) is current income consistent with the preservation of capital. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio's permitted investments consist of corporate bonds and debentures, obligations issued by the United States Government, its agencies and instrumentalities, receipts involving U.S. Treasury obligations, collateralized mortgage obligations and

....

(SYMBOL APPEARS HERE) WHAT ARE INVESTMENT OBJECTIVES AND POLICIES?

A Portfolio's investment objective is a statement of what it seeks to achieve. It is important to make sure that the investment objective matches your own financial needs and circumstances. The investment policies section spells out the types of securities in which each Portfolio invests.

asset-backed securities, that are rated AAA, AA or A by Standard & Poor's Corporation ("S&P") or Aaa, Aa or A by Moody's Investors Service ("Moody's") at the time of purchase, or of comparable quality (as determined by the Portfolio's adviser). The Portfolio may invest up to 35% of its total assets in corporate bonds and debentures rated BBB by S&P or Baa by Moody's at time of purchase. Securities which are rated BBB by S&P or Baa by Moody's are considered as medium-grade obligations (i.e. they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such securities lack outstanding investment characteristics and in fact have speculative characteristics as well. In addition, the Portfolio may invest in money market instruments. Under normal market conditions, the Portfolio will invest at least 65% of its total assets in bonds. Consistent with any applicable state law limitations, the adviser may purchase interest-only and principal-only components of mortgage-backed securities and collateralized mortgage obligations. Furthermore, the Portfolio may purchase yankee obligations and mortgage dollar rolls. Under normal market conditions, the average dollar-weighted maturity of the Portfolio will range between 5 and 10 years. By so limiting the maturity of its investments, the Portfolio's assets are expected to experience less price volatility in response to changes in interest rates than similar securities with longer maturities.

For the fiscal year ended September 30, 1994, as a result of its investment strategies, the Portfolio's annual portfolio turnover rate is 370%. Such a turnover rate may lead to higher transaction costs and may result in higher taxes for shareholders.

The Portfolio's investment adviser is Western Asset Management.

BOND PORTFOLIO

The investment objective of the Bond Portfolio is current income consistent with preservation of capital. There is no assurance that the Portfolio will achieve its investment objective.

The Portfolio's permitted investments consist of corporate bonds and debentures, obligations issued by the United States Government, its agencies and instrumentalities and receipts involving U.S. Treasury obligations, that are rated AAA, AA, A or BBB by S&P or Aaa, Aa, A or Baa by Moody's at the time of purchase or of comparable quality (as determined by the Portfolio's adviser). Securities which are rated BBB by S&P or Baa by Moody's are considered as medium-grade obligations (i.e. they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such securities lack outstanding investment characteristics and in fact have speculative characteristics as well. Under normal market conditions, the Portfolio will invest at least

65% of its total assets in bonds. There are no restrictions on the Portfolio's maturity, but the average maturity is expected to be greater than ten years.

The Portfolio's investment adviser is Boatmen's Trust Company.

HIGH YIELD BOND PORTFOLIO

The investment objective of the High Yield Bond Portfolio is to maximize total return. There is no assurance that the Portfolio will achieve its investment objective.

Under normal market conditions, the Portfolio will invest at least 65% of its total assets in fixed-income debt securities that are rated below investment grade (i.e., below the top four ratings categories used by Moody's or BBB by S&P), or, if not rated, are deemed by the Portfolio's advisers to be of comparable quality. Below investment grade securities are commonly referred to as "junk bonds," and generally entail increased credit and market risk. The achievement of the Portfolio's investment objective may be more dependent on the Portfolio's adviser's own credit analysis than is the case for higher rated securities. Any remaining assets may be invested in preferred stocks, equity securities, investment grade fixed-income securities and money market securities that the Portfolio's advisers believe are appropriate in light of the Portfolio's objective.

The Portfolio may acquire all types of fixed income debt securities issued by domestic and foreign issuers, including convertible, mortgage-backed and asset-backed securities. The Portfolio may invest in zero coupon, pay-in-kind or deferred payment securities, and securities that pay interest on a variable or floating rate basis. Securities in the lowest rating categories may have predominantly speculative characteristics or may be in default. The Portfolio's advisers may vary the average maturity of the securities in the Portfolio without limit and there is no restriction on the maturity of any individual security. There is no bottom limit on the ratings of high yield securities that may be purchased or held by the Portfolio.

The "Appendix" to this Prospectus sets forth a description of the bond rating categories of Moody's and S&P. Ratings of S&P and Moody's represent their opinions of the safety of principal and interest payments (and not the market risk) of bonds and other debt securities they undertake to rate at the time of issuance. Ratings are not absolute standards of quality and may not reflect changes in an issuer's creditworthiness. Accordingly, although the Portfolio's advisers will consider ratings, they will perform their own analyses and will not rely principally on ratings. The Portfolio's advisers will consider, among other things, the price of the security and the financial history and condition, the prospects and the management of an issuer in selecting securities for the Portfolio.

The Portfolio's annual portfolio turnover rate may exceed 100%. Such a turnover rate may result in higher transaction costs and may result in additional taxes for shareholders. See "Taxes."

The Portfolio's investment adviser is SEI Financial Management Corporation and its investment sub-adviser is CS First Boston Management Corporation.

Risk Factors Relating to Investing in Lower Rated Securities

The High Yield Bond Portfolio may invest in lower rated securities. Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

Lower rated or unrated (i.e., high yield) securities

are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. The market values of fixed-income securities tend to vary inversely with the level of interest rates. The market values of fixed-income securities tend to vary inversely with the level of interest rates. Yields and market values of high yield securities will fluctuate over time, reflecting not only changing interest rates but the market's perception of credit quality and the outlook for economic growth. When economic conditions appear to be deteriorating, medium to lower rated securities may decline in value due to heightened concern over credit quality, regardless of prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

The high yield market is relatively new and its growth has paralleled a long period of economic expansion and an increase in merger, acquisition and leveraged buyout activity. Adverse economic developments can disrupt the market for high yield securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity which may lead to a higher incidence of default on such securities. In addition, the secondary market for high yield securities, which is concentrated in relatively few market makers, may not be as liquid as the secondary market for more highly rated securities. As a result, the Portfolio's adviser could find it more difficult to sell these securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Furthermore the Trust may experience difficulty in valuing certain securities at certain times. Prices realized upon the sale of such lower rated or unrated securities, under these circumstances, may be less than the prices used in calculating the Portfolio's net asset value.

Prices for high yield securities may be affected by legislative and regulatory developments. These laws could adversely affect the Portfolio's net asset value and investment practices, the secondary market for high yield securities, the financial condition of issuers of these securities and the value of outstanding high yield securities.

For example, federal legislation requiring the divestiture by federally insured savings and loans associations of their investments in high yield bonds and limiting the deductibility of interest by certain corporate issuers of high yield bonds adversely affected the market in recent years. Lower rated or unrated debt obligations also present risks based on payment expectations. If an issuer calls the obligations for redemption, the Portfolio may have to replace the security with a lower yielding security, resulting in a decreased return for investors. If the Portfolio experiences unexpected net redemptions, it may be forced to sell its higher rated securities, resulting in a decline in the overall credit quality of the Portfolio's investment portfolio and increasing the exposure of the Portfolio to the risks of high yield securities.

Lower rated or unrated debt obligations also present risks based on payment expectations. If an issuer calls the obligations for redemption, the Portfolio may have to

replace the security with a lower yielding security, resulting in a decreased return for investors. If the

Portfolio experiences unexpected net redemptions, it may be forced to sell its higher rated securities, resulting in a decline in the overall credit quality of the Portfolio's investment portfolio and increasing the exposure of the Portfolio to the risks of high yield securities.

GENERAL INVESTMENT POLICIES

Borrowing	The Core Fixed Income, Bond and High Yield Bond Portfolios may borrow money to meet redemptions for temporary, emergency purposes. A Portfolio will not purchase securities while its borrowings exceed 5% of its total assets.
Forward Foreign Currency Contracts	The High Yield Bond Portfolio may purchase forward foreign currency contracts.
Illiquid Securities	The High Yield Bond Portfolio's investment in illiquid securities will be limited to 15% of its net assets. The Core Fixed Income and Bond Portfolios' investment in illiquid securities will be limited to 10% of each Portfolio's net assets.
Investment Company Securities	The High Yield Bond Portfolio may purchase investment company securities, which will result in the layering of expenses. There are legal limits on the amount of such securities that may be acquired by a Portfolio.
Options and Futures	The Core Fixed Income and High Yield Bond Portfolios may purchase or write options, futures and options on futures.
Securities Lending	The High Yield Bond Portfolio may lend its securities in order to realize additional income.
Temporary Defensive Investments	For temporary defensive purposes, when the adviser determines that market conditions warrant, the Core Fixed Income and Bond Portfolios may invest up to 100% of its assets in money market instruments (including securities issued or guaranteed by the United States Government, its agencies or instrumentalities, repurchase agreements, certificates of deposit and bankers' acceptances issued by banks or savings and loan associations having net assets of at least $500 million as of the end of their most recent fiscal year and high-grade commercial paper) rated, at time of purchase, in the top two categories by a national rating agency or determined to be of comparable quality by the adviser at time of purchase, and other long and short-term debt instruments which are rated at time of purchase A or higher by S&P or Moody's at the time of purchase, and may hold a portion of its assets in cash. In addition, each Portfolio may borrow money. To the extent a Portfolio is engaged in temporary defensive investments, such Portfolio will not be pursuing its investment objective. In order to meet liquidity needs or for temporary defensive purposes, the High Yield Bond Portfolio may invest up to 100% of its assets in cash and short term money market securities. Money market securities must be rated in one of the top two categories

by a major rating service or, if unrated, be of comparable quality as determined by the Portfolio's advisers.

Warrants	Consistent with any applicable state law limitations, each of the Core Fixed Income and High Yield Bond Portfolios may purchase warrants in order to increase the Portfolio's total return.

When-Issued and Delayed-Delivery Securities The Core Fixed Income, Bond and High Yield Bond Portfolios may purchase securities on a when-issued or delayed-delivery basis.

For additional information regarding the Portfolios' permitted investments, see "Description of Permitted Investments and Risk Factors" in this Prospectus and "Description of Permitted Investments" in the Statement of Additional Information. For a description of the above ratings, see "Description of Ratings" in the Appendix to this Prospectus and the Statement of Additional Information.

INVESTMENT LIMITATIONS

The investment objective and investment limitations are fundamental policies of the Portfolios. It is also a fundamental policy of the Bond Portfolio to invest its assets solely in securities listed as appropriate investments. Fundamental policies cannot be changed with respect to the Trust or a Portfolio without the consent of the holders of a majority of the Trust's or that Portfolio's outstanding shares.

No Portfolio may:

1. Purchase securities of any issuer (except securities issued or guaranteed by the United States Government, its agencies or instrumentalities) if, as a result, more than 5% of total assets of the Portfolio (based on fair market value at the time of investment) would be invested in the securities of such issuer. This restriction applies to 75% of each Portfolio's total assets.
2. Purchase any securities which would cause more than 25% of the total assets of the Portfolio to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in obligations issued or guaranteed by the United States Government or its agencies and instrumentalities.

The foregoing percentage limitations will apply at the time of the purchase of a security. Additional investment limitations are set forth in the Statement of Additional Information.

THE MANAGER AND SHAREHOLDER SERVICING AGENT

SEI Financial Management Corporation ("SFM"), provides the Trust with overall management services, regulatory reporting, all necessary office space, equipment, personnel and facilities, and acts as transfer agent, dividend disbursing agent and shareholder servicing agent. SFM is a wholly-owned subsidiary of SEI Corporation ("SEI"). Founded in 1968, SEI is a leading provider of investment solutions to banks, institutional investors, investment advisers and insurance companies. Affiliates of SFM have provided consultative advice to institutional investors for more than 20 years, including advice on the selection and evaluation of investment advisers.

For its management services, SFM is entitled to a fee which is calculated daily and paid monthly at an annual rate of .43% of the average daily net assets of the Core Fixed Income Portfolio, .43% of the average daily net assets of the Bond Portfolio and .35% of the average daily net assets of the High Yield Bond Portfolio. SFM has voluntarily agreed to waive a portion of its fees in order to limit the operating expenses of each Portfolio. SFM reserves the right, in its sole discretion, to terminate this voluntary fee waiver at any time.

For the fiscal year ended September 30, 1994 the Core Fixed Income Portfolio paid SFM a management fee of .33% and the Bond Portfolio paid SFM a management fee of .32% of its average daily net assets after fee waivers. During the last fiscal year, the High Yield Bond Portfolio had not commenced operations.

THE ADVISERS AND SUB-ADVISERS

The following entities serve as investment advisers (each, an "Adviser," and collectively, the "Advisers") and investment sub-advisers (each, a "Sub-Adviser," and collectively, the "Sub-Advisers") to the Trust's Portfolios. Each Adviser has general oversight responsibility for the investment advisory services provided to the Portfolios, including formulating the Portfolios' investment policies and analyzing economic trends affecting the Portfolios. In addition, SFM, where it is the Adviser to a Portfolio, is responsible for managing the allocation of assets among the Portfolio's Sub-Advisers and directing and evaluating the investment services provided by the Sub-Advisers, including their adherence to each Portfolio's respective investment objective and policies and each Portfolio's investment performance. In accordance with each Portfolio's investment objective and policies, and under the supervision of the Adviser and the Trust's

(SYMBOL APPEARS HERE) INVESTMENT ADVISER

A Portfolio's advisers manage the investment activities and are responsible for the performance of the Portfolio. The advisers conduct investment research, executes investment strategies based on an assessment of economic and market conditions, and determine which securities to buy, hold or sell.

Board of Trustees, each Sub-Adviser and certain Advisers are responsible for the day-to-day investment management of all or a discrete portion of the assets of a Portfolio. The Advisers and Sub-Advisers are authorized to make investment decisions for the Portfolios and place orders on behalf of the Portfolios to effect the investment decisions made.

The Glass-Steagall Act restricts the securities activities of banks such as Boatmen's Bancshares, Inc., but federal regulatory authorities permit such banks to provide investment advisory and other services to mutual funds. Should this position be challenged successfully in court or reversed by legislation, the Trust might have to make other investment advisory arrangements.

SFM is currently seeking an exemptive order from the Securities and Exchange Commission (the "SEC") that would permit SFM, with the approval of the Trust's Board of Trustees, to retain sub-advisers for a Portfolio without submitting the sub-advisory agreement to a vote of the Portfolio's shareholders. If granted, the exemptive relief will permit the non-disclosure of amounts payable by SFM under such sub-advisory agreements. The Trust will notify shareholders in the event of any change in the identity of the sub-adviser for a Portfolio. Until or unless this exemptive order is granted, if one of the advisers is terminated or departs from a Portfolio with multiple advisers, the Portfolio will handle such termination or departure in one of two ways. First, the Portfolio may propose that a new investment adviser be appointed to manage that portion of the Portfolio's assets managed by the departing adviser. In this case, the Portfolio would be required to submit to the vote of the Portfolio's shareholders the approval of a investment advisory contract with the new adviser. In the alternative, the Portfolio may decide to allocate the departing adviser's assets among the remaining advisers. This allocation would not require new investment advisory contracts with the remaining advisers, and consequently no shareholder approval would be necessary.

BOATMEN'S TRUST COMPANY

Boatmen's Trust Company ("Boatmen's") serves as investment adviser for the Bond Portfolio. Boatmen's is a subsidiary of Boatmen's Bancshares, Inc., a multi-bank holding company. Boatmen's provides trust and investment advisory services to a broad array of individual and institutional clients. As of September 30, 1994, Boatmen's total assets under management were approximately $36 billion for a broad spectrum of taxable and tax-exempt clients. The principal business address of Boatmen's is 100 N. Broadway, St. Louis, Missouri 63102.

The Portfolio has been managed by a committee since its inception.

Boatmen's is entitled to a fee from the Trust, calculated daily and paid monthly at an annual rate of .125% of the average daily net assets of the Portfolio. For the fiscal year ended September 30, 1994, the Bond Portfolio paid Boatmen's an advisory fee of .125% of its average daily net assets.

The Glass-Steagall Act restricts the securities activities of banks such as Boatmen's Bancshares, Inc., but federal regulatory authorities permit such banks to provide investment advisory and other services to mutual funds. Should this position be challenged successfully in court or reversed by legislation, the Trust might have to make other investment advisory arrangements.

CS FIRST BOSTON INVESTMENT MANAGEMENT CORPORATION

CS First Boston Investment Management Corporation ("CS First Boston Management"), 599 Lexington Avenue, 36th Floor, New York, New York 10022, an affiliate of CS First Boston Corporation ("CS First Boston"), serves as investment sub-adviser for the High Yield Bond Portfolio. CS First Boston and CS First Boston Management are subsidiaries of CS First Boston, Inc. CS First Boston and CS First Boston Management has been providing fixed income and equity investment management services to institutional clients since 1984. Total assets under management as of August 31, 1994 exceeded $7.6 billion.

Richard J. Lindquist, CFA, Managing Director, has primary responsibility for the day-to-day management of the Portfolio. Mr. Lindquist has been the leader of the high yield management team and primary high yield portfolio manager since he joined CS First Boston Management in July 1989.

CS First Boston Management is entitled to a fee, which is paid monthly by SFM, at an annual rate of .3375% of the average monthly market value of investments under its management. For the fiscal year ended September 30, 1994, the High Yield Bond Portfolio had not commenced operations and therefore CS First Boston Investment Management did not receive an advisory fee.

SEI FINANCIAL MANAGEMENT CORPORATION

SEI Financial Management Corporation ("SFM") serves as investment adviser for the High Yield Bond Portfolio. As Adviser, SFM has general oversight responsibility for the investment advisory services provided to the Portfolio, including formulating the Portfolio's investment policies, analyzing economic trends affecting the Portfolio, managing the allocation of assets among the Portfolio's sub-advisers (if necessary) and generally directing and evaluating the investment services provided by the sub-adviser, including its adherence to the Portfolio's investment objective and policies and the Portfolio's investment performance. SEI was founded in 1968 and is a leading provider of investment solutions to banks, institutional investors, investment advisers and insurance companies. Affiliates of SFM have provided consulting advice to institutional investors for more than 20 years, including advice regarding the selection and evaluation of investment advisers. Although SFM has not previously been the investment adviser to an investment company, it currently serves as manager or administrator to more than 26 investment companies, including more than 220 portfolios, which investment companies have more than $42 billion in assets as of September 30, 1994.

For these services, SFM is entitled to a fee, which is calculated daily and paid monthly, at an annual rate of .4875% of the Porfolio's average daily net assets. For the fiscal year ended September 30, 1994, the High Yield Bond Portfolio had not commenced operations and therefore SFM did not receive an advisory fee.

WESTERN ASSET MANAGEMENT

Since January 19, 1994, Western Asset Management ("Western") has served as investment adviser for the Core Fixed Income Portfolio. Prior to that date, the investment adviser to the Portfolio was Bank One Indianapolis, N.A. ("Bank One"). Western is located at 117 East Colorado Boulevard, Pasadena, California 91105, and is a wholly owned subsidiary of Legg Mason, Inc., a financial services company located in Baltimore, Maryland. Western was founded in 1971, and specializes in the management of fixed income portfolios. As of September 30, 1994, Western managed approximately $12 billion in client assets, including $2 billion of investment company assets.

Kent S. Engel, Director and Chief Investment Officer of Western, is primarily responsible for the day-to-day management of the Portfolio since January 19, 1994. Engel has been with Western and its predecessor since 1969.

Western is entitled to a fee which is calculated daily and paid monthly, at the annual rate of .125% of the Portfolio's average daily net assets. For the fiscal year ended September 30, 1994, the Portfolio paid each of the Portfolio's advisers an advisory fee of .125% of its average daily net assets. Of this .125% advisory fee, .085% of the Portfolio's total average daily net assets was paid to Western and .04% of the Portfolio's average daily net assets was paid to Bank One.

DISTRIBUTION

SEI Financial Services Company (the "Distributor"), a wholly-owned subsidiary of SEI, serves as each Portfolio's distributor pursuant to a distribution agreement (the "Distribution Agreement") with the Trust. Each Portfolio has a distribution plan for its shares (the "Class A Plan," "Class B Plan" and the "ProVantage Plan;" collectively, "the Plans") pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust intends to operate the Plans in accordance with their terms and with the NASD rules concerning sales charges.

The Distribution Agreement and the Plans provide for reimbursement for expenses incurred by the Distributor in an amount not to exceed .30% of the average daily net assets of each Portfolio on an annualized basis, provided those expenses are permissible as to both type and amount under a budget, adopted by the Board of Trustees, including those Trustees who are not interested persons and have no financial interest in the Plans or any related agreement ("Qualified Trustees"). The Class B and ProVantage Plans provide for additional payments for distribution and shareholder services as described below.

Distribution-related expenses reimbursable to the Distributor under the budget include those related to the costs of advertising and sales materials, the costs of federal

and state securities law registration, advertising expenses and promotional and sales expenses including expenses for travel, communication and compensation and benefits for sales personnel. The Trust is not obligated to reimburse the Distributor for any expenditures in excess of the approved budget. Currently the budget (shown here as a percentage of daily net assets) for the Core Fixed Income Portfolio is .31% , for the Bond Portfolio is .33% and for the High Yield Bond Portfolio is .32%. Distribution expenses not attributable to a specific portfolio are allocated among each of the portfolios of the Trust based on average net assets.

The ProVantage Plan, in addition to providing for the reimbursement payments described above, provides for payments to the Distributor at an annual rate of .30% of the Portfolio's average daily net assets attributable to ProVantage Funds shares. This additional payment may be used to compensate financial institutions that provide distribution-related services to their customers. These additional payments are characterized as "compensation," and are not directly tied to expenses incurred by the Distributor; the payments the Distributor receives during any year may therefore be higher or lower than its actual expenses. These additional payments may be used to compensate the Distributor for its services in connection with distribution assistance or provision of shareholder services, and some or all of it may be used to pay financial institutions and intermediaries such as banks, savings and loan associations, insurance companies, and investment counselors, broker-dealers and the Distributor's affiliates and subsidiaries for services or reimbursement of expenses incurred in connection with distribution assistance or provision of shareholder services. If the Distributor's expenses are less than its fees under the ProVantage Plan, the Trust will still pay the full fee and the Distributor will realize a profit, but the Trust will not be obligated to pay in excess of the full fee, even if the Distributor's actual expenses are higher. Currently the Distributor is taking this additional compensation payment under the ProVantage Plan at a rate of only .25% of each Portfolio's average daily net assets, on an annualized basis, attributable to ProVantage Funds shares.

The Class B Plan is similar to the ProVantage Plan described above except that for each Portfolio, the Class B Plan provides for additional payments to the Distributor of .30% and it applies only to Class B shares. It is possible that an institution may offer different classes of shares to its customers and thus receive different compensation with respect to different classes. These financial institutions may also charge separate fees to their customers.

The Trust may also execute brokerage or other agency transactions through the Distributor for which the Distributor may receive usual and customary compensation.

The Distributor may, from time to time in its sole discretion, institute one or more promotional incentive programs, which will be paid by the Distributor from the sales charge it receives or from any other source available to it. Under any such program, the Distributor will provide promotional incentives, in the form of cash or other compensation,

including merchandise, airline vouchers, trips and vacation packages, to all dealers selling shares of the Portfolios. Such promotional incentives will be offered uniformly to all dealers and predicated upon the amount of shares of the Portfolios sold by the dealer.

PERFORMANCE

From time to time, a Portfolio may advertise yield and total return. These figures will be based on historical earnings and are not intended to indicate future performance. No representation can be made concerning actual yield or future returns. The yield of a Portfolio refers to the income generated by a hypothetical investment, net of any sales charge imposed in the case of some ProVantage Funds shares, in such Portfolio over a thirty day period. This income is then "annualized," i.e., the income over thirty days is assumed to be generated over one year and is shown as a percentage of the investment.

The total return of a Portfolio refers to the average compounded rate of return on a hypothetical investment for designated time periods, assuming that the entire investment is redeemed at the end of each period and assuming the reinvestment of all dividend and capital gain distributions.

The performance of Class A shares will normally be higher than for Class B shares and ProVantage Fund shares because of the additional distribution expenses charged to Class B shares and additional distribution expenses, transfer agency expenses and sales charges (when applicable) charged to ProVantage Funds shares.

A Portfolio may periodically compare its performance to that of other mutual funds tracked by mutual fund rating services (such as Lipper Analytical) or by financial and business publications and periodicals, broad groups of comparable mutual funds, unmanaged indices which may assume investment of dividends but generally do not reflect deductions for administrative and management costs or to other investment alternatives. A Portfolio may quote Morningstar, Inc., a service that ranks mutual funds on the basis of risk-adjusted performance. A Portfolio may use long-term performance of these capital markets to demonstrate general long-term risk versus reward scenarios and could include the value of a hypothetical investment in any of the capital markets. A Portfolio may also quote financial and business publications and periodicals as they relate to fund management, investment philosophy and investment techniques.

A Portfolio may quote various measures of volatility and benchmark correlation in advertising and may compare these measures to those of other funds. Measures of volatility attempt to compare historical share price fluctuations or total returns to a benchmark while measures of benchmark correlation indicate how valid a comparative benchmark might be. Measures of volatility and correlation are calculated using averages of historical data and cannot be calculated precisely.

Additional performance information is set forth in the 1994 Annual Report to Shareholders and is available upon request and without charge by calling 1-800-437-6016.

TAXES

The following summary of federal income tax consequences is based on current tax laws and regulations, which may be changed by legislative, judicial or administrative action. No attempt has been made to present a detailed explanation of the federal, state or local income tax treatment of a Portfolio or its shareholders. Accordingly, shareholders are urged to consult their tax advisers regarding specific questions as to federal, state, and local income taxes. State and local tax consequences of an investment in a Portfolio may differ from the federal income tax consequences described below. Additional information concerning taxes is set forth in the Statement of Additional Information.

Tax Status of the Portfolios A Portfolio is treated as a separate entity for federal income tax purposes and is not combined with the Trust's other portfolios. Each Portfolio intends to continue to qualify for the special tax treatment afforded regulated investment companies ("RICs") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), so as to be relieved of federal income tax on net investment company taxable income (including the excess, if any, of net short-term capital gains over net long-term capital losses) and net capital gains (the excess of net long-term capital gains over net short-term capital losses) distributed to shareholders.

....

(SYMBOL APPEARS HERE) TAXES

You must pay taxes on your Portfolio's earnings, whether you take your payments in cash or additional shares.

....

Tax Status of Distributions Each Portfolio distributes substantially all of its net investment company taxable income to shareholders. Dividends from a Portfolio's net investment company taxable income are taxable to its shareholders as ordinary income (whether received in cash or in additional shares). Distributions of net capital gains are taxable to shareholders as long-term capital gains regardless of how long a shareholder has held shares. Dividends and distributions received from a Portfolio will not qualify for the dividends-received deduction. Each Portfolio will make annual reports to shareholders of the federal income tax status of all distributions.

....

(SYMBOL APPEARS HERE) DISTRIBUTIONS

A Portfolio distributes income dividends and capital gains. Income dividends represent the earnings from the Portfolio's investments; capital gains distributions occur when a Portfolio sells investments for more than the original purchase price.

....

Dividends declared by a Portfolio in October, November or December of any year and payable to shareholders of record on a date in such a month will be deemed to have been paid by the Portfolio and received by the shareholders on December 31 of the year if paid by a Portfolio at any time during the following January.

Each Portfolio intends to make sufficient distributions to avoid liability for federal excise tax.

Sale, exchange, or redemption of a Portfolio's shares generally is a taxable transaction to the shareholder.

ADDITIONAL INFORMATION ABOUT DOING BUSINESS WITH US

Business Days You may buy, sell or exchange shares on days which the New York Stock Exchange is open for business (a "Business Day"). All purchase, exchange and redemption requests received in "good order" will be effective as of the Business Day received by the Distributor as long as the Distributor receives the order and, in the case of a purchase request, payment before 4:00 p.m. Eastern time. Otherwise the purchase will be effective when payment is received. Broker-dealers may have separate arrangements with ProVantage Funds.

If an exchange request is for shares of a portfolio whose net asset value is calculated as of a time earlier than 4:00 p.m. Eastern time, the exchange request will not be effective until the next Business Day. Anyone who wishes to make an exchange must have received a current prospectus of the portfolio into which the exchange is being made before the exchange will be effected.

(SYMBOL APPEARS HERE) BUY, EXCHANGE AND SELL REQUESTS ARE IN "GOOD ORDER" WHEN:

- The account number and portfolio name are shown
- The amount of the transaction is specified in dollars or shares
- Signatures of all owners appear exactly as they are registered on the account
- Any required signature guarantees (if applicable) are included
- Other supporting legal documents (as necessary) are present

Minimum Investments The minimum initial investment in a Portfolio's ProVantage Funds Class is $1,000; however, the minimum investment may be waived at the Distributor's discretion. All subsequent purchases must be at least $100 ($25 for payroll deductions authorized pursuant to pre-approved payroll deduction plans). The Trust reserves the right to reject a purchase order when the Distributor determines that it is not in the best interest of the Trust or its shareholders to accept such order.

Maintaining a Minimum Account Balance Due to the relatively high cost of handling small investments, a Portfolio reserves the right to redeem, at net asset value, the shares of any shareholder if, because of redemptions of shares by or on behalf of the shareholder, the account of such shareholder in a Portfolio has a value of less than $1,000, the minimum initial purchase amount. Accordingly, an investor purchasing shares of a Portfolio in only the minimum investment amount may be subject to such involuntary redemption if he or she thereafter redeems any of these shares. Before a Portfolio exercises its right to redeem such shares and to send the proceeds to the shareholder, the shareholder will be given notice that the value of the shares in his or her account is less than the minimum amount and will be allowed 60 days to make an additional investment in a Portfolio in an amount that will increase the value of the account to at least $1,000. See "Purchase and Redemption of Shares" in the Statement of Additional Information for examples of when the right of redemption may be suspended.

At various times, a Portfolio may be requested to redeem shares for which it has not yet received good payment. In such circumstances, redemption proceeds will be forwarded upon collection of payment for the shares; collection of payment may take 10 or more days. A Portfolio intends to pay cash for all shares redeemed, but under abnormal

conditions that make payment in cash unwise, payment may be made wholly or partly in portfolio securities with a market value equal to the redemption price. In such cases, an investor may incur brokerage costs in converting such securities to cash.

Net Asset Value An order to buy shares will be executed at a per share price equal to the net asset value next determined after the receipt of the purchase order by the Distributor plus any applicable sales charge (the "offering price"). No certificates representing shares will be issued. An order to sell shares will be executed at the net asset value per share next determined after receipt and effectiveness of a request for redemption in good order. Net asset value per share is determined as of 4:00 p.m. Eastern time on each Business Day. Payment to shareholders for shares redeemed will be made within 7 days after receipt by the Distributor of the redemption order.

How the Net Asset Value is Determined

The net asset value per share of a Portfolio is determined by dividing the total market value of its investments and other assets, less any liabilities, by the total number of outstanding shares of the Portfolio. A Portfolio may use a pricing service to obtain the last sale price of each equity or fixed income security held by a Portfolio. In addition, portfolio securities are valued at the last quoted sales price for such securities, or, if there is no such reported sales price on the valuation date, at the most recent quoted bid price. Unlisted securities for which market quotations are readily available are valued at the most recent quoted bid price. Net asset value per share is determined daily as of 4:00 p.m. Eastern time on each Business Day. Purchases will be made in full and fractional shares of a Portfolio calculated to three decimal places. Although the methodology and procedures for determining net asset value per share are identical for both classes of a Portfolio, the net asset value per share of one class may differ from that of another class because of the different distribution fees charged to each class and the incremental transfer agent fees charged to ProVantage Funds shares.

Rights of Accumulation

In calculating the sales charge rates applicable to current purchases of a Portfolio's shares, a "single purchaser" (defined below) is entitled to combine current purchases with the current market value of previously purchased shares of a Portfolio and ProVantage Funds shares of other portfolios ("Eligible Portfolios") which are sold subject to a comparable sales charge.

The term "single purchaser" refers to (i) an individual, (ii) an individual and spouse purchasing shares of a Portfolio for their own account or for trust or custodial accounts of their minor children, or (iii) a fiduciary purchasing for any one trust, estate or fiduciary account, including employee benefit plans created under Sections 401 or 457 of the Code, including related plans of the same employer. Furthermore, under this provision, purchases by a single purchaser shall include purchases by an individual for his/her own account in combination with (i) purchases of that individual and spouse for their joint accounts or for trust and custodial accounts for their minor children and (ii) purchases of that individual's spouse for his/her own account. To be entitled to a reduced sales charge based upon shares already owned, the investor must ask the Distributor for such reduction at the time

of purchase and provide the account number(s) of the investor, the investor and spouse, and their children (under age 21). A Portfolio may amend or terminate this right of accumulation at any time as to subsequent purchases.

Letter of Intent

By submitting a Letter of Intent (the "Letter") to the Distributor, a single purchaser may purchase shares of a Portfolio and the other Eligible Portfolios during a 13-month period at the reduced sales charge rates applying to the aggregate amount of the intended purchases stated in the Letter. The Letter may apply to purchases made up to 90 days before the date of the Letter. It is the shareholder's responsibility to notify SFM at the time the Letter is submitted that there are prior purchases that may apply.

Five percent (5%) of the total amount intended to be purchased will be held in escrow by the Distributor until such purchase is completed within the 13-month period. The 13-month period begins on the date of the earliest purchase. If the intended investment is not completed, SFM will surrender an appropriate number of the escrowed shares for redemption in order to realize the difference between the sales charge on the shares purchased at the reduced rate and the sales charge otherwise applicable to the total shares purchased. Such purchasers may include the value of all their shares of the Portfolio and of any of the other Eligible Portfolios in the Trust towards the completion of such Letter.

Sales Charge Waivers

No sales charge is imposed on shares of a Portfolio: (i) issued in plans of reorganization, such as mergers, asset acquisitions and exchange offers, to which the Trust is a party; (ii) sold to dealers or brokers that have a sales agreement with the Distributor ("participating broker-dealers"), for their own account or for retirement plans for employees or sold to present employees of dealers or brokers that certify to the Distributor at the time of purchase that such purchase is for their own account; (iii) sold to present employees of SEI or one of its affiliates, or of any entity which is a current service provider to the Trust; (iv) sold to tax-exempt organizations enumerated in Section 501(c) of the Code or qualified employee benefit plans created under Sections 401, 403(b)(7) or 457 of the Code (but not IRAs or SEPs); (v) sold to fee-based clients of banks, financial planners and investment advisers; (vi) sold to clients of trust companies and bank trust departments; (vii) sold to trustees and officers of the Trust; (viii) purchased with proceeds from the recent redemption of another class of shares of a portfolio of the Trust, SEI Tax-Exempt Trust, SEI International Trust, SEI Liquid Asset Trust, or SEI Daily Income Trust; (ix) purchased with the proceeds from the recent redemption of shares of a mutual fund with similar investment objectives and policies (other than ProVantage Funds) for which a front-end sales charge was paid (this offer will be extended, to cover shares on which a deferred sales charge was paid, if permitted under regulatory authorities' interpretation of applicable law); or (x) sold to participants or members of certain affinity groups, such as trade associations or membership organizations, which have entered into arrangements with the Distributor. Members of affinity groups should see the Statement

of Additional Information or call the Distributor for further information regarding sales charge waivers.

An investor relying upon any of the categories of waivers of sales charges must qualify such waiver in advance of the purchase with the Distributor or the financial institution or the intermediary through which shares are purchased by the investor.

The waiver of the sales charge under circumstances (viii) and (ix) above applies only if the following conditions are met: the purchase must be made within 60 days of the redemption; the Distributor must be notified in writing by the investor, or his or her agent, at the time a purchase is made; and a copy of the investor's account statement showing such redemption must accompany such notice. The waiver policy with respect to the purchase of shares through the use of proceeds from a recent redemption as described in clauses (viii) and (ix) above will not be continued indefinitely and may be discontinued at any time without notice. Investors should call the Distributor at 1-800-437-6016 to confirm availability prior to initiating the procedures described in clauses (viii) and (ix) above.

The Distributor has also entered into arrangements with certain affinity groups and broker-dealers wherein their members or clients are entitled to percentage-based discounts from the otherwise applicable sales charge for purchase of ProVantage Funds shares. Currently the percentage-based discount is either 10% or 50%. Members of affinity groups and clients of broker-dealers should see the

	Statement of Additional Information or contact the Distributor for further information.
Signature Guarantees	SFM may require that the signatures on the written request be guaranteed. You should be able to obtain a signature guarantee from a bank, broker, dealer, certain credit unions, securities exchange or association, clearing agency or savings association. Notaries public cannot guarantee signatures. The signature guarantee requirement will be waived if all of the following conditions apply: (1) the redemption is for not more than $5,000 worth of shares, (2) the redemption check is payable to the shareholder(s) of record, and (3) the redemption check is mailed to the shareholder(s) at his or her address of record. The Trust and the Transfer Agent reserve the right to amend these requirements without notice.
Telephone/Wire Instructions	Redemption orders may be placed by telephone. Neither the Trust nor SFM will be responsible for any loss, liability, cost or expense for acting upon wire instructions or upon telephone instructions that it reasonably believes to be genuine. The Trust and SFM will each employ reasonable procedures to confirm that instructions communicated by telephone are genuine, including requiring a form of personal identification prior to acting upon instructions received by telephone and recording telephone instructions. If market conditions are extraordinarily active, or other extraordinary circumstances exist, and you experience difficulties placing redemption orders by telephone, you may wish to consider placing your order by other means.

Systematic Withdrawal Plan ("SWP")	Please note that if withdrawals exceed income dividends, your invested principal in the account will be depleted. Thus, depending upon the frequency and amounts of the withdrawal payments and/or any fluctuations in the net asset value per share, your original investment could be exhausted entirely. To participate in the SWP, you must have your dividends automatically reinvested. You may change or cancel the SWP at any time, upon written notice to SFM.
How to Close your Account	An account may be closed by providing written notice to SFM. You may also close your account by telephone if you have previously elected telephone options on your account application.

GENERAL INFORMATION

The Trust	The Trust was organized as a Massachusetts business trust under a Declaration of Trust dated October 20, 1986. The Declaration of Trust permits the Trust to offer separate portfolios of shares and different classes of each portfolio. Shareholders may purchase shares in the Portfolio through three separate classes: Class A and Class B shares and ProVantage Funds, which provide for variation in distribution and transfer agent costs, voting rights, dividends, and the imposition of a sales charge on the ProVantage Funds. This Prospectus offers the ProVantage Funds shares of the Trust's Core Fixed Income, Bond and High Yield Bond Portfolios. Additional information pertaining to the Trust may be obtained by writing to SEI Financial Management Corporation, 680 East Swedesford Road, Wayne, Pennsylvania 19087 or by calling 1-800-437-6016. All consideration received by the Trust for shares of any portfolio and all assets of such portfolio belong to that portfolio and would be subject to liabilities related thereto. The Trust pays its expenses, including fees of its service providers, audit and legal expenses, expenses of preparing prospectuses, proxy solicitation materials and reports to shareholders, costs of custodial services and registering the shares under federal and state securities laws, pricing, insurance expenses, including litigation and

other extraordinary expenses, brokerage costs, interest charges, taxes and organization expenses.

Trustees of the Trust	The management and affairs of the Trust are supervised by the Trustees under the laws of the Commonwealth of Massachusetts. The Trustees have approved contracts under which, as described above, certain companies provide essential management services to the Trust.
Voting Rights	Each share held entitles the shareholder of record to one vote. Each portfolio of the Trust will vote separately on matters relating solely to that Portfolio. Each class will vote separately on matters pertaining to its distribution plan. As a Massachusetts business trust, the Trust is not required to hold annual meetings of shareholders but approval will be sought for certain changes in the operation of the Trust and for the election of Trustees under certain circumstances. In addition, a Trustee may be removed by the remaining Trustees or by shareholders at a special meeting called upon written request of shareholders owning at least 10% of the outstanding shares of the Trust. In the event

that such a meeting is requested the Trust will provide appropriate assistance and information to the shareholders requesting the meeting.

Reporting	The Trust issues unaudited financial information semi-annually and audited financial statements annually. The Trust furnishes proxy statements and other reports to shareholders of record.
Shareholder Inquiries	Shareholder inquiries should be directed to the Manager, SEI Financial Management Corporation, P.O. Box 451, Wayne, Pennsylvania 19087.
Dividends	Substantially all of the net investment income (exclusive of capital gains) of the Portfolios is periodically declared and paid as a dividend. Dividends currently are paid on a monthly basis for each Portfolio. Currently, net capital gains (the excess of net long-term capital gain over net short-term capital loss) realized, if any, will be distributed at least annually. Shareholders automatically receive all income dividends and capital gain distributions in additional shares at the net asset value next determined following the record date, unless the shareholder has elected to take such payment in cash. Shareholders may change their election by providing written notice to SFM at least 15 days prior to the distribution. Dividends and capital gains of a Portfolio are paid on a per-share basis. The value of each share will be reduced by the amount of any such payment. If shares are purchased shortly before the record date for dividend of capital gains distributions, a shareholder will pay the full price for the shares and receive some portion of the price back as a taxable dividend or distribution. The dividends on ProVantage Funds shares will normally be lower than on Class A and Class B shares of a Portfolio because of the additional distribution and transfer agent expenses charged to ProVantage Funds shares.
Counsel and Independent Accountants	Morgan, Lewis & Bockius serves as counsel to the Trust. Price Waterhouse LLP serves as the independent accountants of the Trust.
Custodianand Wire Agent	CoreStates Bank, N.A., Broad and Chestnut Streets, P.O. Box 7618, Philadelphia, PA 19101 (the "Custodian"), acts as custodian of the Trust's assets. The Custodian holds cash, securities and other assets of the Trust as required by the 1940 Act.

DESCRIPTION OF PERMITTED INVESTMENTS AND RISK FACTORS

The following is a description of the permitted investment practices for the Portfolios, and the associated risk factors:

Asset-Backed Securities Asset-backed securities are securities secured by non-mortgage assets such as company receivables, truck and auto loans, leases and credit card receivables. Such securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in the underlying pools of assets. Such securities also may be debt

instruments, which are also known as collateralized obligations and are generally issued as the debt of a special purpose entity, such as a trust, organized solely for the purpose of owning such assets and issuing such debt.

Asset-backed securities are not issued or guaranteed by the United States Government or its agencies or instrumentalities; however, the payment of principal and interest on such obligations may be guaranteed up to certain amounts and for a certain period by a letter of credit issued by a financial institution (such as a bank or insurance company) unaffiliated with the issuers of such securities. The purchase of asset-backed securities raises risk considerations peculiar to the financing of the instruments underlying such securities. For example, there is a risk that another party could acquire an interest in the obligations superior to that of the holders of the asset-backed securities. There also is the possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on those securities. Asset-backed securities entail prepayment risk, which may vary depending on the type of asset, but is generally less than the prepayment risk associated with mortgage-backed securities. In addition, credit card receivables are unsecured obligations of the card holder.

The market for asset-backed securities is at a relatively early stage of development. Accordingly, there may be a limited secondary market for such securities. The Core Fixed Income and High Yield Bond Portfolios may invest in asset-backed securities.

Bankers' Acceptances Bankers' acceptances are bills of exchange or time drafts drawn on and accepted by a commercial bank. Bankers' acceptances are used by corporations to finance the shipment and storage of goods. Maturities are generally six months or less. Each Portfolio may invest in bankers' acceptances.

Certificates of Deposit Certificates of deposit are interest bearing instruments with a specific maturity. They are issued by banks and savings and loan institutions in exchange for the deposit of funds and normally can be traded in the secondary market prior to maturity. Certificates of deposit with penalties for early withdrawal will be considered illiquid. Each Portfolio may invest in certificates of deposit.

Commercial Paper Commercial paper is a term used to describe unsecured short-term promissory notes issued by banks, municipalities, corporations and other entities. Maturities on these issues vary from a few to 270 days. The Core Fixed Income and Bond Portfolios may invest in commercial paper.

Convertible Securities Convertible securities are corporate securities that are exchangeable for a set number of another security at a prestated price. Convertible securities typically have characteristics similar to both fixed-income and equity securities. Because of the conversion feature, the market value of a convertible security tends to move with the market value of the underlying stock. The value of a convertible security is also affected by prevailing interest rates, the credit quality of the issuer, and any call provisions. The High Yield Bond and Bond Portfolios may invest in convertible securities.

Derivatives	Derivatives are securities that derive their value from other securities. The following are considered derivative securities: options on futures, futures, options (e.g., puts and calls) swap agreements, mortgage-backed securities (CMOs, REMICs, IOs and POs), when-issued securities and forward commitments, floating and variable rate securities, convertible securities, "stripped" U.S. Treasury securities (e.g., Receipts and STRIPs), privately issued stripped securities (e.g., TGRs, TRs and CATS). See elsewhere in this "Description of Permitted Investments and Risk Factors" for discussions of these various instruments, and see "Investment Objectives and Policies" for more information about any investment policies and limitations applicable to their use.
Equity Securities	Equity securities represent ownership interests in a company or corporation and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investments in common stocks are subject to market risks which may cause their prices to fluctuate over time. Changes in the value of portfolio securities will not necessarily affect cash income derived from these securities but will affect a Portfolio's net asset value. The High Yield Bond Portfolio may invest in equity securities.
Fixed Income Securities	Fixed income securities are debt obligations issued by corporations, municipalities and other borrowers. The market value of fixed income investments will generally change in response to interest rate changes and other factors. During periods of falling interest rates, the values of outstanding fixed income securities generally rise. Conversely, during periods of rising interest rates, the values of such securities generally decline. Moreover, while securities with longer maturities tend to produce higher yields, the prices of longer maturity securities are also subject to greater market fluctuations as a result of changes in interest rates. Changes by recognized agencies in the rating of any fixed income security and in the ability of an issuer to make payments of interest and principal will also affect the value of these investments. Changes in the value of portfolio securities will not affect cash income derived from these securities but will affect a Portfolio's net asset value. Each Portfolio may invest in fixed income securities.
Forward Foreign Currency Contracts	A forward contract involves an obligation to purchase or sell a specific currency amount at a future date, agreed upon by the parties, at a price set at the time of the contract. A Portfolio may also enter into a contract to sell, for a fixed amount of U.S. dollars or other appropriate currency, the amount of foreign currency approximating the value of some or all of a Portfolio's securities denominated in such foreign currency. At the maturity of a forward contract, a Portfolio may either sell a portfolio security and make delivery of the foreign currency, or it may retain the security and terminate its contractual obligation to deliver the foreign currency by purchasing an "offsetting" contract with the same currency trader, obligating it to purchase, on the same maturity date, the same amount of the foreign currency. A Portfolio may realize a gain or loss from currency transactions. The High Yield Bond Portfolio may invest in forward foreign currency contracts.

Futures and Options on Futures	Futures contracts provide for the future sale by one party and purchase by another party of a specified amount of a specific security at a specified future time and at a

specified price. An option on a futures contract gives the purchaser the right, in exchange for a premium, to assume a position in a futures contract at a specified exercise price during the term of the option. A Portfolio may use futures contracts and related options for bona fide hedging purposes, to offset changes in the value of securities held or expected to be acquired or be disposed of, to minimize fluctuations in foreign currencies, or to gain exposure to a particular market or instrument. A Portfolio will minimize the risk that it will be unable to close out a futures contract by only entering into futures contracts which are traded on national futures exchanges.

Stock index futures are futures contracts for various stock indices that are traded on registered securities exchanges. A stock index futures contract obligates the seller to deliver (and the purchaser to take) an amount of cash equal to a specific dollar amount times the difference between the value of a specific stock index at the close of the last trading day of the contract and the price at which the agreement is made.

There are risks associated with these activities, including the following: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates, (2) there may be an imperfect or no correlation between the changes in market value of the securities held by the Portfolio and the prices of futures and options on futures, (3) there may not be a liquid secondary market for a futures contract or option, (4) trading restrictions or limitations may be imposed by an exchange, and (5) government regulations may restrict trading in futures contracts and futures options.

A Portfolio may enter into futures contracts and options on futures contracts traded on an exchange regulated by the Commodities Futures Trading Commission ("CFTC"), so long as, to the extent that such transactions are not for "bona fide hedging purposes," the aggregate initial margin and premiums on such positions (excluding the amount by which such options are in the money) do not exceed 5% of the Portfolio's net assets. The Portfolio may buy and sell futures contracts and related options to manage its exposure to changing interest rates and securities prices. Some strategies reduce the Portfolio's exposure to price fluctuations, while others tend to increase its market exposure. Futures and options on futures can be volatile instruments and involve certain risks that could negatively impact the Portfolio's return. The Core Fixed Income and High Yield Bond Portfolios may invest in futures and options on futures.

Illiquid Securities Illiquid securities are securities that cannot be disposed of within seven business days at approximately the price at which they are being carried on a Portfolio's books. An illiquid security includes a demand instrument with a demand notice period exceeding seven days, where there is no secondary market for such security, and repurchase agreements with durations (or maturities) over 7 days in length. Each Portfolio may invest in illiquid securities.

Junk Bonds Bonds rated below investment grade are often referred to as "junk bonds." Such securities involve greater risk of default or price declines than investment grade securities due to changes in the issuer's creditworthiness and the outlook for economic growth. The market for these securities may be less active, causing market price volatility and limited liquidity in the secondary market. This may limit a Portfolio's ability to sell such securities at their market value. In addition, the market for these securities may also be adversely affected by legislative and regulatory developments. Credit quality in the junk bond market can change suddenly and unexpectedly, and even recently issued credit ratings may not fully reflect the actual risks imposed by a particular security. The High Yield Bond Portfolio may invest in junk bonds.

Money Market Securities	Money market securities are high-quality, dollar-denominated, short-term debt instruments. They consist of: (i) bankers' acceptances, certificates of deposits, notes and time deposits of highly-rated U.S. banks and U.S. branches of foreign banks; (ii) U.S. Treasury obligations and obligations issued or guaranteed by the agencies and instrumentalities of the U.S. Government; (iii) high-quality commercial paper issued by U.S. and foreign corporations; (iv) debt obligations with a maturity of one year of less issued by corporations with outstanding high-quality commercial paper; and (v) repurchase agreements involving any of the foregoing obligations entered into with highly-rated banks and broker-dealers. All Portfolios may invest in money market securities.
Mortgage-Backed Securities	Mortgage-backed securities are instruments that entitle the holder to a share of all interest and principal payments from mortgages underlying the security. The mortgages backing these securities include conventional thirty-year fixed-rate mortgages, graduated payment mortgages, and adjustable rate mortgages. During periods of declining interest rates, prepayment of mortgages underlying mortgage-backed securities can be expected to accelerate. Prepayment of mortgages which underlie securities purchased at a premium often results in capital losses, while prepayment of mortgages purchased at a discount often results in capital gains. Because of these unpredictable prepayment characteristics, it is often not possible to predict accurately the average life or realized yield of a particular issue.

Government Pass-Through Securities: These are securities that are issued or guaranteed by a U.S. Government agency representing an interest in a pool of mortgage loans. The primary issuers or guarantors of these mortgage-backed securities are GNMA, FNMA and FHLMC. FNMA and FHLMC obligations are not backed by the full faith and credit of the U.S. Government as GNMA certificates are, but FNMA and FHLMC securities are supported by the instrumentalities' right to borrow from the U.S. Treasury. GNMA, FNMA and FHLMC each guarantees timely distributions of interest to certificate holders. GNMA and FNMA also each guarantees timely distributions of scheduled principal. FHLMC has in the past guaranteed only the ultimate collection of principal of the underlying mortgage loan; however, FHLMC now issues mortgage-backed securities (FHLMC Gold PCs) which also guarantee timely payment of monthly principal reductions. Government

and private guarantees do not extend to the securities' value, which is likely to vary inversely with fluctuations in interest rates.

Private Pass-Through Securities: These are mortgage-backed securities issued by a non-governmental entity, such as a trust. These securities include collateralized mortgage obligations ("CMOs") and real estate mortgage investment conduits ("REMICs") that are rated in one of the top two rating categories. While they are generally structured with one or more types of credit enhancement, private pass-through securities typically lack a guarantee by an entity having the credit status of a governmental agency or instrumentality.

Collateralized Mortgage Obligations ("CMOs"): CMOs are debt obligations or multiclass pass-through certificates issued by agencies or instrumentalities of the U.S.

Government or by private originators or investors in mortgage loans. In a CMO, series of bonds or certificates are usually issued in multiple classes. Principal and interest paid on the underlying mortgage assets may be allocated among the several classes of a series of a CMO in a variety of ways. Each class of a CMO, often referred to as a "tranche," is issued with a specific fixed or floating coupon rate and has a stated maturity or final distribution date. Principal payments on the underlying mortgage assets may cause CMOs to be retired substantially earlier then their stated maturities or final distribution dates, resulting in a loss of all or part of any premium paid.

REMICs: A REMIC is a CMO that qualifies for special tax treatment under the Internal Revenue Code and invests in certain mortgages principally secured by interests in real property. Investors may purchase beneficial interests in REMICs, which are known as "regular" interests, or "residual" interests. Guaranteed REMIC pass-through certificates ("REMIC Certificates") issued by FNMA or FHLMC represent beneficial ownership interests in a REMIC trust consisting principally of mortgage loans or FNMA, FHLMC or GNMA-guaranteed mortgage pass-through certificates. For FHLMC REMIC Certificates, FHLMC guarantees the timely payment of interest, and also guarantees the payment of principal as payments are required to be made on the underlying mortgage participation certificates. FNMA REMIC Certificates are issued and guaranteed as to timely distribution of principal and interest by FNMA.

Parallel Pay Securities; PAC Bonds: Parallel pay CMOs and REMICS are structured to provide payments of principal on each payment date to more than one class. These simultaneous payments are taken into account in calculating the stated maturity date or final distribution date of each class, which must be retired by its stated maturity date or final distribution date, but may be retired earlier. Planned Amortization Class CMOs ("PAC Bonds") generally require payments of a specified amount of principal on each payment date. PAC Bonds are always parallel pay CMOs with the required principal payment on such securities having the highest priority after interest has been paid to all classes.

REITs: REITs are trusts that invest primarily in commercial real estate or real estate-related loans. The value of interests in REITs may be affected by the value of the property owned or the quality of the mortgages held by the trust.

Stripped Mortgage-Backed Securities ("SMBs"): SMBs are usually structured with two classes that receive specified proportions of the monthly interest and principal payments from a pool of mortgage securities. One class may receive all of the interest payments and is thus termed an interest-only class ("IO"), while the other class may receive all of the principal payments and is thus termed the principal-only class ("PO"). The value of IOs tends to increase as rates rise and decrease as rates fall; the opposite is true of POs. SMBs are extremely sensitive to changes in interest rates because of the impact thereon of prepayment of principal on the underlying mortgage securities can experience wide swings in value in response to changes in interest rates and associated mortgage prepayment rates. During times when interest rates are experiencing fluctuations, such securities can be difficult to price on a consistent basis. The market for SMBs is not as fully developed as other markets; SMBs therefore may be illiquid.

Risk Factors: Due to the possibility of prepayments of the underlying mortgage instruments, mortgage-backed securities generally do not have a known maturity. In the absence of a known maturity, market participants generally refer to an estimated average life. An average life estimate is a function of an assumption regarding anticipated prepayment patterns, based upon current interest rates, current conditions in the relevant housing markets and other factors. The assumption is necessarily subjective, and thus different market participants can produce different average life estimates with regard to the same security. There can be no assurance that estimated average life will be a security's actual average life. The Core Fixed Income, Bond and High Yield Bond Portfolios may invest in mortgage-backed securities.

Mortgage Dollar Rolls

Mortgage "dollar rolls" are transactions in which mortgage-backed securities are sold for delivery in the current month and the seller simultaneously contracts to repurchase substantially similar securities on a specified future date. Any difference between the sale price and the purchase price is netted against the interest income foregone on the securities sold to arrive at an implied borrowing rate. Alternatively, the sale and purchase transactions can be executed at the same price, with the Portfolio being paid a fee as consideration for entering into the commitment to purchase. Mortgage dollar rolls may be renewed prior to cash settlement and initially may involve only a firm commitment agreement by the Portfolio to buy a security. If the broker-dealer to whom the Portfolio sells the security becomes insolvent, the Portfolio's right to repurchase the security may be restricted. Other risks involved in entering into mortgage dollar rolls include the risk that the value of the security may change adversely over the term of the mortgage dollar roll and that the security the Portfolio is required to repurchase may be worth less than the security that the Portfolio originally held.

To avoid any leveraging concerns, the Portfolio will place U.S. Government or other liquid, high grade assets in a segregated account in an amount sufficient to cover its repurchase obligation. The Core Fixed Income Portfolio may invest in mortgage dollar rolls.

Options

A put option gives the purchaser of the option the right to sell, and the writer of the option the obligation to buy, the underlying security at any time during the option period. A call option gives the purchaser of the option the right to buy, and the writer of the option the obligation to sell, the underlying security at any time during the option period. The premium paid to the writer is the consideration for undertaking the obligations under the option contract. The initial purchase (sale) of an option contract is an "opening transaction." In order to close out an option position, a Portfolio may enter into a "closing transaction," which is simply the sale (purchase) of an option contract on the same security with the same exercise price and expiration date as the option contract originally opened.

A Portfolio may purchase put and call options to protect against a decline in the market value of the securities in its portfolio or to anticipate an increase in the market value of securities that the Portfolio may seek to purchase in the future. A Portfolio purchasing put and call options pays a premium therefor. If price movements in the underlying securities are such that exercise of the options would not be profitable for the Portfolio, loss of the premium paid may be offset by an increase in the value of the Portfolio's securities or by a decrease in the cost of acquisition of securities by the Portfolio.

A Portfolio may write covered call options as a means of increasing the yield on its portfolio and as a means of providing limited protection against decreases in its market value. When a Portfolio sells an option, if the underlying securities do not increase or decrease to a price level that would make the exercise of the option profitable to the holder thereof, the option generally will expire without being exercised and the Portfolio will realize as profit the premium received for such option. When a call option of which a Portfolio is the writer is exercised, the Portfolio will be required to sell the underlying securities to the option holder at the strike price, and will not participate in any increase in the price of such securities above the strike price. When a put option of which a Portfolio is the writer is exercised, the Portfolio will be required to purchase the underlying securities at the strike price, which may be in excess of the market value of such securities.

A Portfolio may purchase and write options on an exchange or over-the-counter. Over-the-counter options ("OTC options") differ from exchange-traded options in several respects. They are transacted directly with dealers and not with a clearing corporation, and therefore entail the risk of non-performance by the dealer. OTC options are available for a greater variety of securities and for a wider range of expiration dates and exercise prices than are available for exchange-traded options. Because OTC options are not traded on an exchange, pricing is done normally by reference to information from a market maker. It is

the position of the Securities and Exchange Commission that OTC options are generally illiquid.

A Portfolio may purchase and write put and call options on foreign currencies (traded on U.S. and foreign exchanges or over-the-counter markets) to manage its exposure to exchange rates. Call options on foreign currency written by a Portfolio will be "covered," which means that the Portfolio will own an equal amount of the underlying foreign currency. With respect to put options on foreign currency written by a Portfolio, the Portfolio will establish a segregated account with its custodian bank consisting of cash or liquid, high grade debt securities in an amount equal to the amount the Portfolio would be required to pay upon exercise of the put.

A Portfolio may purchase and write put and call options on indices and enter into related closing transactions. Put and call options on indices are similar to options on securities except that options on an index give the holder the right to receive, upon exercise of the option, an amount of cash if the closing level of the underlying index is greater than (or less than, in the case of puts) the exercise price of the option. This amount of cash is equal to the difference between the closing price of the index and the exercise price of the option, expressed in dollars multiplied by a specified number. Thus, unlike options on individual securities, all settlements are in cash, and gain or loss depends on price movements in the particular market represented by the index generally, rather than the price movements in individual securities. A Portfolio may choose to terminate an option position by entering into a closing transaction. The ability of a Portfolio to enter into closing transactions depends upon the existence of a liquid secondary market for such transactions.

A Portfolio may engage in writing covered call options. Under a call option, the purchaser has the right to purchase and the writer (the Portfolio) the obligation to sell the underlying security at the exercise price during the option period. Options purchased by the Portfolio will be listed on a national securities exchange. In order to close out an option position, the Portfolio may enter into a "closing purchase transaction," which involves the purchase of an option on the same security at the same exercise price and expiration date. If the Portfolio is unable to effect a closing purchase transaction with respect to an option it has written, it will not be able to sell the underlying security until the options expires or the Portfolio delivers the security upon exercise. Permissible options include options on stock indices.

Even where used only for hedging purposes, options involve risks, including the following: (i) the success of any hedging strategy utilizing options will depend on an ability to predict movements in the prices of individual securities and interest rates, (ii) there may be an imperfect correlation between the movement in prices of securities held by the Portfolio and the price of options, (iii) there may not be a liquid secondary market for options, and (iv) while the Portfolio will receive a premium when it writes covered call

options, it may not participate fully in any rise in the market value of the underlying security."

All options written on indices must be covered. When a Portfolio writes an option on an index, it will establish a segregated account containing cash or liquid high grade debt securities with its custodian in an amount at least equal to the market value of the option and will maintain the account while the option is open or will otherwise cover the transaction.

Risk Factors. Risks associated with options transactions include: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (2) there may be an imperfect correlation between the movement in prices of options and the securities underlying them; (3) there may not be a liquid secondary market for options; and (4) while a Portfolio will receive a premium when it writes covered call options, it may not participate fully in a rise in the market value of the underlying security. The Core Fixed Income and High Yield Bond Portfolios may invest in options.

Receipts	Receipts are sold as zero coupon securities which means that they are sold at a substantial discount and redeemed at face value at their maturity date without interim cash payments of interest or principal. This discount is accreted over the life of the security, and such accretion will constitute the income earned on the security for both accounting and tax purposes. Because of these features, such securities may be subject to greater interest rate volatility than interest paying Permitted Investments. See also "Taxes." Each Portfolio may invest in receipts.
Repurchase Agreements	Agreements by which a Portfolio obtains a security and simultaneously commits to return the security to the seller at an agreed upon price (including principal and interest) on an agreed upon date within a number of days from the date of purchase. The Custodian or its agent will hold the security as collateral for the repurchase agreement. Collateral must be maintained at a value at least equal to 102% of the purchase price. The Portfolio bears a risk of loss in the event the other party defaults on its obligations and the Portfolio is delayed or prevented from its right to dispose of the collateral securities or if the Portfolio realizes a loss on the sale of the collateral securities. The adviser will enter into repurchase agreements on behalf of the Portfolio only with financial institutions deemed to present minimal risk of bankruptcy during the term of the agreement based on guidelines established and periodically reviewed by the Trustees. Repurchase agreements are considered loans under the 1940 Act. Each Portfolio may invest in repurchase agreements.
Securities	In order to generate additional income, a portfolio may lend

Lending securities which it owns pursuant to agreements requiring that the loan be continuously secured by collateral consisting of cash, securities of the U.S. Government or its agencies equal to at least 100% of the market value of the securities lent. A Portfolio continues to receive interest on the securities lent while simultaneously earning interest on the investment of cash

collateral. Collateral is marked to market daily. There may be risks of delay in recovery of the securities or even loss of rights in the collateral should the borrower of the securities fall financially or become insolvent. The High Yield Bond Portfolio may lend securities.

Securities of Foreign Issuers

There are certain risks connected with investing in foreign securities. These include risks of adverse political and economic developments (including possible governmental seizure or nationalization of assets), the possible imposition of exchange controls or other governmental restrictions, less uniformity in accounting and reporting requirements, the possibility that there will be less information on such securities and their issuers available to the public, the difficulty of obtaining or enforcing court judgments abroad, restrictions on foreign investments in other jurisdictions, difficulties in effecting repatriation of capital invested abroad, and difficulties in transaction settlements and the effect of delay on shareholder equity. Foreign securities may be subject to foreign taxes, and may be less marketable than comparable U.S. securities. The value of a Portfolio's investments denominated in foreign currencies will depend on the relative strengths of those currencies and the U.S. dollar, and a Portfolio may be affected favorably or unfavorably by changes in the exchange rates or exchange control regulations between foreign currencies and the U.S. dollar. Changes in foreign currency exchange rates also may affect the value of dividends and interest earned, gains and losses realized on the sale of securities and net investment income and gains, if any, to be distributed to shareholders by a Portfolio. The High Yield Bond Portfolio may invest in securities of foreign issuers.

U.S. Government Agencies

Obligations issued or guaranteed by agencies of the U.S. Government, including, among others, the Federal Farm Credit Bank, the Federal Housing Administration and the Small Business Administration, and obligations issued or guaranteed by instrumentalities of the U.S. Government, including, among others, the Federal Home Loan Mortgage Corporation, the Federal Land Banks and the U.S. Postal Service. Some of these securities are supported by the full faith and credit of the U.S. Treasury (e.g., Government National Mortgage Association), others are supported by the right of the issuer to borrow from the Treasury (e.g., Federal Farm Credit Bank), while still others are supported only by the credit of the instrumentality (e.g., Federal National Mortgage Association). Guarantees of principal by agencies or instrumentalities of the U.S. Government may be a guarantee of payment at the maturity of the obligation so that in the event of a default prior to maturity there might not be a market and thus no means of realizing on the obligation prior to maturity. Guarantees as to the timely payment of principal and interest do not extend to the value or yield of these securities nor to the value of the Portfolio's shares. Each Portfolio may invest in obligations issued or guaranteed by U.S. Government agencies.

U.S. Treasury Obligations

U.S. Treasury obligations consist of bills, notes and bonds issued by the U.S. Treasury and separately traded interest and principal component parts of such obligations that are transferable through the Federal book-entry system known as Separately Traded

Registered Interest and Principal Securities ("STRIPS"). Each Portfolio may invest in U.S. Treasury obligations.

U.S. Treasury Receipts	U.S. Treasury receipts are interests in separately traded interest and principal component parts of U.S. Treasury obligations that are issued by banks or brokerage firms and are created by depositing U.S. Treasury obligations into a special account at a custodian bank. The Custodian holds the interest and principal payments for the benefit of the registered owners of the certificates of receipts. The Custodian arranges for the issuance of the certificates or receipts evidencing ownership and maintains the register. Receipts include "Treasury Receipts" ("TRs"), "Treasury Investment Growth Receipts" ("TIGRs"), "Liquid Yield Option Notes" ("LYONs") and "Certificates of Accrual on Treasury Securities" ("CATS"). TIGRs and CATS are interests in private proprietary accounts while TRs are interests in accounts sponsored by the U.S. Treasury. Each Portfolio may invest in U.S. Treasury receipts.
Variable and Floating Rate Instruments	Certain obligations may carry variable or floating rates of interest, and may involve a conditional or unconditional demand feature. Such instruments bear interest at rates which are not fixed, but which vary with changes in specified market rates or indices. The interest rates on these securities may be reset daily, weekly, quarterly or some other reset period, and may have a floor or ceiling on interest rate changes. There is a risk that the current interest rate on such obligations may not accurately reflect existing market interest rates. A demand instrument with a demand notice exceeding seven days may be considered illiquid if there is no secondary market for such security. Each Portfolio may invest in variable and floating rate instruments.
Warrants	Warrants are instruments giving holders the right, but not the obligation, to buy shares of a company at a given price during a specified period. The High Yield Bond Portfolio may invest in warrants.
When-Issued and Delayed Delivery Securities	When-issued or delayed delivery basis transactions involve the purchase of an instrument with payment and delivery taking place in the future. Delivery of and payment for these securities may occur a month or more after the date of the purchase commitment. The Portfolio will maintain with the custodian a separate account with liquid high grade debt securities or cash in an amount at least equal to these commitments. The interest rate realized on these securities is fixed as of the purchase date and no interest accrues to the Portfolio before settlement. These securities are subject to market fluctuation due to changes in market interest rates and it is possible that the market value at the time of settlement could be higher or lower than the purchase price if the general level of interest rates has changed. Although a Portfolio generally purchases securities on a when-issued or forward commitment basis with the intention of actually acquiring securities, a Portfolio may dispose of a when-issued security or forward commitment prior to settlement if it deems appropriate. Each Portfolio may invest in when-issued and delayed delivery securities.

Yankee Obligations	Yankee obligations ("Yankees") are U.S. dollar-denominated instruments of foreign issuers who either register with the Securities and Exchange Commission or issue under Rule 144(A). These consist of debt securities (including preferred or preference stock of non-governmental issuers), certificates of deposit, fixed time deposits and bankers' acceptances issued by foreign banks, and debt obligations of foreign governments or their subdivisions, agencies and

instrumentalities, international agencies and supranational entities. Some securities issued by foreign governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of the foreign government.

Investing in the securities of issuers based in any foreign country involves special risks and considerations not typically associated with investing in U.S. companies. These include risks resulting from differences in accounting, auditing and financial reporting standards, lower liquidity than U.S. fixed income or debt securities, the possibility of nationalization, expropriation or confiscatory taxation; adverse changes in investment or exchange control regulations and political instability. There may be less publicly available information concerning foreign issuers of securities held by the Portfolio than is available concerning U.S. issuers. Purchases and sales of foreign securities and dividends and interest payable on those securities may be subject to foreign taxes and taxes may be withheld from dividend and interest payments on those securities. Foreign securities often trade with less frequency and volume than domestic securities and therefore may exhibit greater price volatility and a greater risk of liquidity.

The yankee obligations selected for the Portfolio will adhere to the same quality standards as those utilized for the selection of domestic debt obligations. The Core Fixed Income Portfolio may invest in yankee obligations.

Zero Coupon, Pay-In-Kind and Deferred Payment Securities

Zero coupon securities are securities that are sold at a discount to par value and securities on which interest payments are not made during the life of the security. Upon maturity, the holder is entitled to receive the par value of the security. While interest payments are not made on such securities, holders of such securities are deemed to have received "phantom income" annually. Because a Portfolio will distribute its "phantom income" to shareholders, to the extent that shareholders elect to receive dividends in cash rather than reinvesting such dividends in additional shares, a Portfolio will have fewer assets with which to purchase income producing securities. Alternatively, shareholders may have to redeem shares to pay tax on this "phantom income." In either case, the Portfolio may have to dispose of its portfolio securities under disadvantageous circumstances to generate cash, or may have to leverage itself by borrowing cash to satisfy distribution requirements. A Portfolio accrues income with respect to the securities prior to the receipt of cash payments. Pay-in-kind securities are securities that have interest payable by delivery of additional securities. Deferred payment securities are securities that remain zero coupon securities until a predetermined date, at which time the stated coupon rate becomes effective and interest becomes payable at regular intervals. Zero coupon, pay-in-kind and deferred payment securities may be subject to greater fluctuation in value and lesser

liquidity in the event of adverse market conditions that comparably rated securities paying cash interest at regular interest payment periods. The High Yield Bond Portfolio may invest in zero coupon, pay-in-kind and deferred payment securities.

Additional information on permitted investments and risk factors can be found in the Statement of Additional Information.

MOODY'S RATING DEFINITIONS

LONG TERM

Aaa Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edged". Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat larger than the Aaa securities.

A Bonds which are rated A possess many favorable investment attributes and are to be considered as upper-medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment some time in the future.

Baa Bonds which are rated Baa are considered as medium-grade obligations (i.e., they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B Bonds which are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C Bonds which are rated C are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Moody's bond ratings, where specified, are applied to senior bank obligations and insurance company senior policyholder and claims obligations with an original maturity in excess of one year. Obligations relying upon support mechanisms such as letters-of-credit and bonds of indemnity are excluded unless explicitly rated.

Obligations of a branch of a bank are considered to be domiciled in the country in which the branch is located. Unless noted as an exception, Moody's rating on a bank's ability to repay senior obligations extends only to branches located in countries which carry a Moody's sovereign rating. Such branch obligations are rated at the lower of the bank's rating or Moody's sovereign rating for the bank deposits for the country in which the branch is located.

When the currency in which an obligation is denominated is not the same as the currency of the country in which the obligation is domiciled, Moody's ratings do not incorporate an opinion as to whether payment of the obligation will be affected by the actions of the government controlling the currency of denomination. In addition, risk associated with bilateral conflicts between an investor's home country and either the issuer's home country or the country where an issuer branch is located are not incorporated into Moody's ratings.

Moody's makes no representation that rated bank obligations or insurance company obligations are exempt from registration under the U.S. Securities Act of 1933 or issued in conformity with any other applicable law or regulation. Nor does Moody's represent that any specific bank or insurance company obligation is legally enforceable or is a valid senior obligation of a rated issuer.

Moody's ratings are opinions, not recommendations to buy or sell, and their accuracy is not guaranteed. A rating should be weighed solely as one factor in an investment decision and you should make your own study and evaluation of any issuer whose securities or debt obligations you consider buying or selling.

NOTE: Moody's applies numerical modifiers, 1, 2 and 3 in each generic rating classification from Aa through B in its corporate bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

STANDARD & POOR'S RATING DEFINITIONS

A Standard & Poor's corporate or municipal debt rating is a current assessment of creditworthiness of an obligor with respect to a specific obligation. This assessment may take into consideration obligors such as guarantors, insurers, or lessees.

The debt rating is not a recommendation to purchase, sell or hold a security, as it does not comment on market price or suitability for a particular investor.

The ratings are based, in varying degrees, on the following considerations:

(1) Likelihood of default. The rating assesses the obligor's capacity and willingness as to timely payment of interest and repayment of principal in accordance with the terms of the obligation.

(2) The obligation's nature and provisions.

(3) Protection afforded to, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditor's rights.

Likelihood of default is indicated by an issuer's senior debt rating. If senior debt is not rated, an implied senior debt rating is determined. Subordinated debt usually is rated lower than senior debt to better reflect relative position of the obligation in bankruptcy. Unsecured debt, where significant secured debt exists, is treated similarly to subordinated debt.

LONG-TERM

Investment Grade

AAA Debt rated 'AAA' has the highest rating assigned by S&P. Capacity to pay interest and repay principal is extremely strong.

AA Debt rated 'AA' has a very strong capacity to pay interest and repay principal and differs from the highest rated debt only in small degree.

A Debt rated 'A' has a strong capacity to pay interest and repay principal, although it is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than debt in higher-rated categories.

BBB Debt rated 'BBB' is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher rated categories.

Speculative Grade

Debt rated 'BB', 'B', 'CCC', 'CC', and 'C' is regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal. 'BB' indicates the least degree of speculation and 'C' the highest degree of speculation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse conditions.

BB Debt rated 'BB' has less near-term vulnerability to default than other speculative grade debt. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to inadequate capacity to meet timely interest and principal payments. The 'BB' rating category is also used for debt subordinated to senior debt that is assigned an actual or implied 'BBB-' rating.

B Debt rate 'B' has greater vulnerability to default but presently has the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions would likely impair capacity or willingness to pay interest and repay principal. The 'B' rating category also is used for debt subordinated to senior debt that is assigned an actual or implied 'BB' or 'BB-' rating.

CCC Debt rated 'CCC' has a current identifiable vulnerability to default, and is dependent on favorable business, financial and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial, or economic conditions, it is not likely to have the capacity to pay interest and repay principal.

The 'CCC' rating category also is used for debt subordinated to senior debt that is assigned an actual or implied 'B' or 'B-' rating.

CC The rating 'CC' is typically applied to debt subordinated to senior debt which is assigned an actual or implied 'CCC' rating.

C The rating 'C' is typically applied to debt subordinated to senior debt which is assigned an actual or implied 'CCC-' debt rating. The 'C' rating may be used to cover a situation where a bankruptcy petition has been filed, but debt service payment are continued.

CI Debt rated 'CI' is reserved for income bonds on which no interest is being paid.

D Debt is rated 'D' when the issue is in payment default, or the obligor has filed for bankruptcy. The 'D' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless S&P believes that such payments will be made during such grace period.

Plus (+) or minus (-): The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

c The letter 'c' indicates that the holder's option to tender the security for purchase may be canceled under certain prestated conditions enumerated in the tender option documents.

P The letter 'p' indicates that the rating is provisional. A provisional rating assumes the successful completion of the project financed by the debt being rated and indicates that payment of the debt service requirements is largely or entirely dependent upon the successful timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of, or the risk of default upon failure of such completion. The investor should exercise his own judgement with respect to such likelihood and risk.

L The letter 'L' indicates that the rating pertains to the principal amount of those bonds to the extent that the underlying deposit collateral is federally insured, and interest is adequately collateralized. In the case of certificates of deposit, the letter 'L' indicates that the deposit, combined with other deposits being held in the same right and capacity, will be honored for principal and pre-default interest up to federal insurance limits within 30 days after closing of the insured institution or, in the event that the deposit is assumed by a successor insured institution, upon maturity.

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* Continuance of the rating is contingent upon S&P's receipt of an executed copy of the escrow agreement or closing documentation confirming investments and cash flows.

N.R. Not rated.

Debt obligations of issuers outside the United States and its territories are rated on the same basis as domestic corporate and municipal issues. The ratings measure the creditworthiness of the obligor but do not take into account currency exchange and related uncertainties.

If an issuer's actual or implied senior debt rating is 'AAA', its subordinated or junior debt is rated 'AAA' or 'AA+'. If an issuer's actual or implied senior debt rating is lower than 'AAA' but higher than 'BB+', its junior debt is typically rated

once designation lower than the senior debt ratings. For example, if the senior debt rating is 'A', subordinated debt normally would be rated 'A-'. If an issuer's actual or implied senior debt rating is 'BB+' or lower, its subordinated debt is typically rated two designations lower than the senior debt rating.

NOTE: The term "investment grade" was originally used by various regulatory bodies to connote obligations eligible for investment by institutions such as banks, insurance companies, and savings and loan associations. Over time, this term gained widespread usage throughout the investment community. Issues rated in the four highest categories, 'AAA', 'AA', 'A', 'BBB', generally are recognized as being investment grade. Debt 'BB' or below generally is referred to as speculative grade. The term "junk bond" is merely a more irreverent expression for this category of more risky debt. Neither term indicates which securities S&P deems worthy of investment, as an investor with a particular risk preference may appropriately invest in securities that are not investment grade.