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Investment Manager Opportunities Being Shaped by Public Policy Say Experts at SEI Conference

Tactics which help investors save for retirement will have a major impact

OAKS, Pa., May 2 /PRNewswire-FirstCall/ -- The asset management industry can do more to play a proactive, forward-looking role in addressing the public policies that are dramatically reshaping the investment landscape, said legal and regulatory experts speaking at the SEI 2007 Executive Conference. SEI (Nasdaq: SEIC), a leading global provider of outsourced asset management, investment processing and investment operations solutions, annually holds the three-day conference to give its investment manager clients an overview of industry trends and their impact.

"While investment management firms and trade associations try to stay on top of legislative and regulatory developments, they are typically reacting to problems that cropped up yesterday-not creating strategies to address the issues and opportunities emerging right now," said Paul Schaeffer, conference moderator and Managing Director of Strategy & Innovation for SEI's Investment Manager Services unit. "The industry needs to look ahead to the broad demographic changes and policy directions that are shaping its future and plan accordingly."

Panelists focusing on policy trends said the urgent need for pension reform will be a key driver of policy change and product innovation. Mark Iwry, Of Counsel, Sullivan & Cromwell LLP and Nonresident Senior Fellow at the Brookings Institution, cited statistics indicating that fewer than 4 out of 10 U.S. workers currently participate in a 401(k), only about 1 out of 10 currently contribute to an IRA, and the median 401(k) or IRA account balance for households that have such accounts and are headed by someone aged 55 to 64 is about $60,000.

Panelists highlighted several emerging trends that are creating new opportunities for investors and asset managers alike, including:

-- The creation of new-generation 401(k) plans that offer all employees packaged or professionally-managed investment solutions as default options. "These kinds of solutions give individuals the benefits of professional guidance while preserving freedom of choice," said Iwry.
-- Growing demand for guaranteed investment products, such as new-style

variable annuities that trade off some upside potential for protection against losses.
-- Expectations that Congress will take up proposals that would move toward universal retirement plan coverage, which would dramatically expand the industry's assets under management over the long term.

"These policy and product developments are democratizing retirement plans, giving millions more investors the chance to build wealth. They are also broadening access to private equity and other pooled investment opportunities the average investor couldn't tap into before," commented panel moderator Jim Volk, Chief Compliance Officer for SEI's Investment Manager Services division.

The industry could face more stringent regulatory enforcement, said Steve Stone, Partner, Morgan Lewis & Bockius, LLP. "The Department of Labor has been feeling some pressure to follow the SEC's lead and take on the role of industry watchdog," commented Stone.

But panelists also agreed that, except for the issue of hedge fund regulation, which may be the subject of congressional hearings, leaders of key congressional committees have not signaled any intent to push major new legislation constraining or further regulating the industry.

In order to make its voice heard on issues affecting investors, the industry needs to make better use of its existing resources for policy analysis and advocacy, the panel concluded. Said David Tittsworth, Executive Director of the Investment Adviser Association, "Industry groups like ours are constantly seeking out policy research and input that will help us be more effective players in Washington."

Other conference sessions discussed trends in product evolution, changing demand in the institutional and high net worth segments, firm culture and leadership, and strategies for growth. A complete list of conference topics and speakers can be accessed at http://www.seic.com/ims/General_SEI_Executive_Conference_2007.asp.

About SEI's Investment Manager Services Division

SEI's Investment Manager Services division provides total operations outsourcing solutions to investment managers focused on mutual funds, hedge and private equity funds, separately managed accounts and institutional client services. The division applies operating services, technologies, and business and regulatory knowledge to each client's business objectives. Its resources enable clients to meet the demands of the marketplace and sharpen business strategies by focusing on their core competencies.

About SEI

SEI (Nasdaq:SEIC) is a leading global provider of outsourced asset management, investment processing and investment operations solutions. The company's innovative solutions help corporations, financial institutions, financial advisors, and affluent families create and manage wealth. As of March 31, 2007, through its subsidiaries and partnerships in which the company has a significant interest, SEI administers $382.4 billion in mutual fund and pooled assets and manages $190.0 billion in assets. SEI serves clients, conducts or is registered to conduct business and/or operations, from more than 20 offices in over a dozen countries. For more information, visit www.seic.com.

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