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# SEI Quick Poll: Pension Sponsors Identify Controlling Volatility, Establishing Long-Term Strategies as Top Priorities For 2011

OAKS, Pa., Feb. 8, 2011 /PRNewswire/ -- An SEI (Nasdaq: SEIC) Quick Poll released today found that, for the second consecutive year, pension plan sponsors say their number one priority for the coming year is finding a way to control funded status volatility. Four out of five (84 percent) poll participants view this as a priority, with more than three-quarters (76 percent) identifying it as a "high priority," making it the highest ranked priority in the entire poll.

"Effectively addressing this year's priorities will be no easy task for pension plan sponsors. Pension management is a complex set of moving parts and the priorities identified in this poll are a sign that executives overseeing these plans are taking a more holistic view," said Jon Waite, Director, Investment Management Advice and Chief Actuary, SEI's Institutional Group. "We're seeing an encompassing high level priority of 'regaining control' and many plan sponsors are looking externally for expertise and new techniques to get this accomplished."

While controlling funded status volatility came in as the top priority, providing senior management with a long-term pension strategy took second, moving up one spot from last year, with more than three-quarters (76 percent) of participants listing this as a top priority.

The top 10 priorities are as follows:

1. Controlling funded status volatility
2. Providing senior management with long-term pension strategies
3. Improving plan's funded status
4. Conducting an asset-liability study
5. Effectively managing duration moving forward
6. Implementing a Liability-Driven Investing (LDI) approach using long-duration bonds
7. Defining fiduciary responsibilities for trustees and investment consultants
8. Changing funding policies and timelines
9. Stress-testing the portfolio to gauge its ability to withstand extreme macroeconomic environments
10. Implementing a plan design change, such as closing the plan to new entrants or freezing accruals in already closed plans

Defining fiduciary responsibilities for trustees and investment consultants moved up two spots from last year, with nearly two-thirds (64 percent) of participants listing this as a priority. Although ranking seventh, this move is notable, as it suggests that the Department of Labor's proposed regulations, which will likely include those providing investment advice to a defined benefit plan, are weighing on the minds of plan sponsors.

This second annual "Top Priorities for Pension Plan Sponsors" Quick Poll is the latest research from the Pension Management Research Panel. The poll was completed by 50 executives overseeing pensions ranging from US $250 million to US $10 billion in assets. None of the respondents were institutional clients of SEI. Respondents were asked to identify priorities and rank each as a "marginal," "high," or "extremely high" priority; awarded one, two, or three points, respectively, for tabulating purposes.

Complete summaries of the poll are available by emailing seiresearch@seic.com.

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