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SEI Quick Poll: Nonprofits Focused on Downside Risk and Aligning Portfolio With Organizational Finances

Other Areas of Focus Include Investment Outsourcing and Defining Fiduciary Roles

OAKS, Pa., Feb. 10, 2011 /PRNewswire/ -- An SEI (Nasdaq: SEIC) Quick Poll released today found that nonprofit finance executives say their highest investment priority for 2011 is to make asset allocation changes focused on downside risk protection. Four out of five (82 percent) poll participants view this as a priority for the year, with more than three-quarters (76 percent) of that group identifying it as a "high" or "extremely high" priority. Additionally, nearly 40 percent of respondents said their organization is open to including an outsourced investment provider in their next search for consultative services.

"Nonprofit investment committees are tasked with an enormous set of responsibilities in a very complex investment environment," said John Paul Cavaliere, Senior Analyst, Nonprofit Advice for SEI's Institutional Group. "The increased trend of nonprofits looking at outsourced investment models is a direct result of committees looking for ways to delegate some time-consuming investment functions to allow for a greater focus on risk protection and return enhancement."

More than three-quarters (79 percent) of all participants said finding ways to best make asset allocation decisions in conjunction with organizational finance decisions is a priority. The largest percentage of poll responses (17 percent) said this was an "extremely high" priority.

The top 10 priorities are as follows:

1. Make asset allocation changes focused on downside risk protection
2. Find ways to best make asset allocation decisions in conjunction with finance decisions
3. Attempt to decrease volatility by increasing portfolio diversification via new asset classes
4. Define investment management fiduciary responsibilities for trustees and investment consultant
5. Add hedging strategies to the portfolio
6. Gain additional transparency from investment managers

7. Immunize a portion of the portfolio to support spending policy needs
8. Find ways, such as investment market simulation tools, to best evaluate the effect of potential investment market changes on the invested assets
9. Add or increase allocation to inflation protection strategies
10. Implement ways to increase donor confidence in your investment strategies

The Quick Poll is the latest research from the Nonprofit Management Research Panel. The poll was completed by 117 executives overseeing endowments ranging from US $25 million to US $10 billion in assets. None of the respondents were from institutional clients of SEI. Respondents were asked to identify priorities and then rank each as a "marginal," "high," or "extremely high" priority.

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

About SEI's Institutional Group

SEI's Institutional Group delivers integrated healthcare, retirement and nonprofit investment solutions to more than 500 global institutional clients (of which 340 are U.S. based) in six different countries. SEI enables clients to meet financial objectives, reduce business risk, and fulfill their due diligence requirements through implemented fiduciary management strategies for defined benefit plans, defined contribution plans, endowments, foundations and other balance sheet assets. For more information, visit www.seic.com/institutions.

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