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SEI Survey: Investment Managers See Operations as Competitive Advantage

Data Management and Operational Complexity Are Biggest Ops Challenges

OAKS, PA -- (Marketwired) -- 05/13/14 -- Improving operations remains a priority for investment managers as investors and regulators continue to demand deeper levels of transparency. However, a new survey from SEI (NASDAQ: SEIC) indicates operational capabilities are also becoming a key competitive advantage. The poll reveals that more than three-quarters (77 percent) of investment managers believe there is a 'somewhat strong' or 'very strong' link between their operational capabilities and their business competitiveness and performance, while 69 percent believe that their investors also see a 'somewhat strong' or 'very strong' link.

Despite the expressed importance of operational capabilities, respondents identified a number of key operational challenges. The top three cited were:

- Data and information management (33 percent)
- Operational complexity (31 percent)
- Growing regulatory/compliance demands (22 percent)

Tackling better data and information management may also be important in delivering customized reporting and analytics -- items which almost 40 percent of respondents said their clients ask for most frequently. Customization continued to be a theme, as respondents reported that 33 percent of clients ask about more customized portfolios. Although investors appear to desire more individualized solutions, investment managers seem to be meeting their clients' transparency needs as only six percent said that 'more transparency' was what they were asked for most by clients.

"Having strong operational capabilities has been moving up on the priority list for investment managers for years now as they see that superior operations can actually differentiate their firms in the marketplace," said Ross Ellis, Vice President, Knowledge Partnership for SEI's Investment Manager Services division. "In today's climate, it's critical for investment managers to find new ways to enhance and streamline operations in order to support investor demands."

Respondents were also asked about the most important factor in their ongoing operations success or 'operational fitness.' More than two-thirds of those polled (68 percent) said that advanced operating technologies, together with having the most knowledgeable people advising you, were equally important. This integrated mix of technology and expertise was consistent with what managers said was their greatest challenge, apart from delivering expected performance. The highest ranked answer (36 percent) was 'providing investors with education & consulting above and beyond my firm's specific mandate.'

The poll was conducted at SEI's 11th annual Executive Conference, a client-only event attended by more than 100 C-level executives across management operations, distribution, and investment professions. Full survey results and conference content can be found at www.seic.com/OpsPoll.

About SEI's Investment Manager Services Division
SEI's Investment Manager Services division provides comprehensive operational outsourcing solutions to support investment managers globally across a range of registered and unregistered fund structures, diverse investment strategies and jurisdictions. With expertise covering traditional and alternative investment vehicles, the division applies customized operating services, industry-leading technologies, and practical business and regulatory insights to each client's business objectives. SEI's resources enable clients to meet the demands of the marketplace and sharpen business strategies by focusing on their core competencies. The division has been recently recognized as Top Rated by Global Custodian, as "Best Outsourcing Provider to the Buy Side" and "Best Fund Administrator" by Buy-Side Technology and "Most Innovative Fund Administrator (Over $30B AUA)" in the U.S. for hedge funds and "Best Administrator -- Technology Provider" in Europe by HFMWeek. For more information, visit www.seic.com/ims.

About SEI
SEI (NASDAQ: SEIC) is a leading global provider of investment processing, investment management, and investment operations solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of March 31, 2014, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $582 billion in mutual fund and pooled or separately managed assets, including $239 billion in assets under management and $343 billion in client assets under administration. For more information, visit www.seic.com.

Company Contact:
Dana Grosser
SEI
+1 610-676-2459
dgrosser@seic.com

Media Contact:
Jason Rocker
Braithwaite Communications
+1 215-564-3200 x 110
jrocker@gobraithwaite.com

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