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## **SEI Conference: Opportunity for New Investment Products to Address Retirement Challenges**

### **Improved Infrastructure Cited as Key to Increased Assets**

OAKS, Pa., April 30 /PRNewswire-FirstCall/ -- The looming repercussions of low savings rates and the prospect of retirement shortfalls at both individual and institutional levels are challenging the asset management industry and sparking demand for a new generation of investment products, said industry experts addressing the 2007 SEI 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.

"The asset management industry has enormous potential given the wide retirement funding gaps Baby Boomers are facing. While the industry can't fix these problems alone, it can provide innovative product solutions that help bridge the gaps," said Paul Schaeffer, conference moderator and Managing Director of Strategy & Innovation for SEI's Investment Manager Services division.

Leading a conference panel on product evolution, Yariv Itah, Partner at Casey, Quirk & Associates, said emerging new products generally fall into four categories that could add up to a \$15 to \$20 trillion opportunity by 2010:

- "Liberated" vehicles that "expand the efficient frontier," improving the risk/return equation by incorporating non-traditional asset types or investment methods.
- Outcome-oriented products that focus on achieving a predictable result (for example, annuities financed through defined contribution plans).
- Packaged advice offerings (such as Unified Managed Accounts or funds of hedge funds)
- Creative funding approaches, such as reverse mortgages or methods of securitizing pensions, that will help make up for lagging retirement contributions.

In order to tap these opportunities, the asset management industry will need new business models along with a broader set of product development skills incorporating investment banking, capital markets, insurance, and consulting capabilities, panelists agreed. "Asset

managers don't have to build it all themselves," said Jay Giacco, Senior Vice President of ING Investment Management. "It can make sense to focus on investment process quality and partner with others to create new products."

A separate conference panel discussed changing demand in the institutional segment. Previewing results of a recent institutional investor survey sponsored by SEI, Lois Peltz, President and CEO of Infovest 21, said hedge funds with "institutional quality" infrastructure are seeing an increase of assets from institutions.

"Hedge funds that demonstrate 'institutional quality,' including 'manager pedigree,' critical support staff, a division of labor among key positions, and independent valuations, are better positioned for selection," said Peltz. She added that "headline risk" was respondents' number-one concern with hedge investing.

"More and more, institutions are looking for brand as a way to find the transparency, stability, and infrastructure they want in a hedge fund," commented panelist West Chapman, VP, Hedge Fund Strategies, Goldman Sachs Asset Management. "They recognize that hedge funds have an entrepreneurial bent, but are rapidly becoming more institutionalized."

Other conference sessions discussed forces shaping marketplace trends, 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](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](http://www.seic.com).

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