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## **SEI Global Quick Poll: US Implementation of Liability Driven Investing (LDI) Lags Behind Global Counterparts**

### **Only 17% Currently Employing LDI Strategies Despite Expressed Need**

OAKS, Pa., June 6 /PRNewswire-FirstCall/ -- An SEI (Nasdaq: SEIC) Global Quick Poll released today reveals that while Liability Driven Investing (LDI) has received a lot of attention, only 20% of those pension plans polled are currently implementing LDI strategies and 33% are not even considering implementing an LDI approach. The fact that organizations are slow to implement is a contradiction of the stated global need for LDI as nearly three quarters (72%) of those polled indicate they want the asset pool to provide some level of support to their pension's liability.

The poll, sponsored by SEI, confirms that global pension sponsors agree they are not primarily focused on return based benchmarks and want the benefits of an LDI approach, but they are struggling to implement. The Netherlands appears to be the ahead of other countries when it comes to employing LDI strategies as nearly two-thirds (64%) are currently implementing or will implement an LDI approach this year. Of the four countries polled, the US showed the lowest percentage (17%) of plan sponsors currently employing an LDI approach.

"It's clear that plan sponsors want the benefits of an investment strategy that is focused on supporting the pension's liabilities and the lack of implementation raises the question as to whether or not they are receiving adequate advice and direction," said Jim Morris, Senior Vice President, Retirement Solutions for SEI Global Institutional Group. "In the US, the level of investment expertise and resources required for LDI implementation is daunting, particularly when combined with a high level of plan design changes and the new funding and accounting rules. In order to realize the desired benefits of LDI, organizations will need to consider changes to overall plan management to enable the execution of these strategies.

US plan sponsors are challenged when it comes to pension management and LDI implementation appears to only increase complexities. In the US, almost half of plans polled (45%) are closed to new entrants and the country had the highest percentage of plans (13%) that had already frozen pension accruals. New funding rules seem to support the need for LDI as US responses were in line with global percentages which saw 79% agree the goal of

LDI is to control volatility of the plan's funded status and 46% said it was to control contribution and/or pension expense.

The poll, administered by SEI's Pension Management Research Panel, surveyed 226 executives overseeing pensions with assets ranging from \$30 million to over \$5 billion. The executives represented four countries - Canada, Netherlands, United Kingdom and United States. None of the companies surveyed were SEI institutional clients. A complete summary of the poll is available by emailing [seiresearch@seic.com](mailto:seiresearch@seic.com).

#### About SEI's Institutional Group

SEI's Institutional Group delivers integrated retirement, nonprofit and healthcare solutions to over 330 U.S. institutional clients and 490 global institutional clients in seven different countries. SEI enables clients to meet financial objectives, reduce business risk, and fulfill their due diligence requirements through implemented strategies for the management of defined benefit plans, defined contribution plans, endowments, foundations and other balance sheet assets. For more information, visit <http://www.seic.com/institutions>.

#### 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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