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SEI Quick Poll: Nonprofits Focused on Investment Management Model and Defining Fiduciary Responsibilities

Investment Losses Causing an Evaluation of Traditional Consultant Approach

OAKS, Pa., July 7 /PRNewswire-FirstCall/ -- An SEI (Nasdaq: SEIC) Quick Poll released today shows that nonprofit foundations and endowments are thoroughly evaluating their overall investment management process in response to continued market volatility. Nearly one-third (31 percent) of nonprofits currently using a consultant model for investment management said they are concerned about this approach and are looking into other options. Almost half (45 percent) of that group said they feel there should have been a higher level of proactive communication from the consultant during recent market turmoil. Nearly one-third (30 percent) of all polled said that defining investment management fiduciary responsibilities for trustees and investment consultants is a top priority.

"For many nonprofits, the wheels came off the entire process and they are seriously considering if their current approach to investment management is the best approach moving forward," said Carolyn McLaurin, Vice President and Managing Director of SEI's Nonprofit Group. "As nonprofits determine strategies for addressing a wide range of issues, the external help they receive needs to be aligned with their efforts. Many are realizing this wasn't always the case."

The poll results highlight numerous areas of focus within investment management. Almost three-quarters (71 percent) of those polled said the organization is making asset allocation changes in response to the current economic environment. Many are decreasing allocations to US equities (56 percent), non-US equities (63 percent) and hedge funds (58 percent). Conversely, allocations are being increased towards fixed income (69 percent) and other alternatives (67 percent). In addition, 63 percent of respondents said maintaining an appropriate level of liquidity in the investment portfolio is a top priority.

Last year's market downturn significantly impacted nonprofits as more than four-fifths (81 percent) said their organization's overall invested assets decreased by at least 21 percent. Poor investment returns are impacting operational functions as nearly half (45 percent) of those polled said the economic downturn has forced the organization to choose between reducing staff and making program cuts.

The poll, conducted by SEI's Nonprofit Management Research Panel, was completed by 160 U.S.-based nonprofit organizations with total invested assets ranging from $25 million to more than $1 billion. None of the participants were institutional clients of SEI.

A complete summary of the poll is available by emailing *seiresearch@seic.com*.

About SEI's Institutional Group

SEI's Institutional Group delivers integrated healthcare, retirement and nonprofit investment solutions to over 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 strategies for the management of defined benefit plans, defined contribution plans, endowments, foundations and other balance sheet assets. For more information, visit *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, 2009, through its subsidiaries and partnerships in which the company has a significant interest, SEI administers $354 billion in mutual fund and pooled assets and manages $123 billion in assets. SEI serves clients, conducts or is registered to conduct business and/or operations, from numerous offices worldwide. For more information, visit *www.seic.com*.

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