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# **SEI Global Poll: Companies Taking Back Control of Pension Finances in Wake of Market Volatility**

## **Focus Shifts Towards Liability Matching and Risk Management**

OAKS, Pa., Aug. 25 /PRNewswire-FirstCall/ -- An SEI (Nasdaq: SEIC) Global Quick Poll released today shows that as companies attempt to regain control of pension finances there is a paradigm shift in the focus of resources. More than two-thirds (68 percent) said there is an increased focus on managing pension assets in association with the pension's liabilities. More than half (54 percent) said the organization has an increased interest in risk management and a goals-based approach to pension management. However, the poll shows that on average pension executives are spending half of their time on either administrative activities (27 percent) or monitoring investment managers (23 percent). In contrast, they are spending less than a fifth of their time on functions necessary to these new strategies, such as evaluating new investment managers (10 percent) and researching new asset classes (six percent).

"The past year has created a need for pension executives to focus on bigger, more strategic issues. It's not realistic to expect to be successful at better aligning assets and liabilities if resources are spending half of their time on administrative functions and monitoring the performance of managers," said Jon Waite, Director of Investment Management Advice and Chief Actuary of SEI's Institutional Group. "Plan sponsors are realizing that success will only be brought about by changes to the current process."

The poll, completed by a total of 105 executives who oversee pensions around the world ranging from US \$30 million to more than \$5 billion in assets, shows that recent market conditions have caused pension plans to have a negative impact on overall corporate finances for more than half (56 percent) of the participating companies. Nearly half (44 percent) of all global participants said the recent market turmoil has increased the likelihood the organization will take steps to terminate the pension plan as soon as possible. Additionally, senior management has increased scrutiny of the pension and is requesting a long-term pension strategy.

As that long-term strategy is being planned, current processes are being reviewed. More than a third (34 percent) of those using a consultant said the heightened investment risk has made trustees question whether or not the consultant provides enough accountability for

results and enough fiduciary protection. Nearly a quarter said they either had to proactively ask their consultant for advice during the market turmoil (23 percent) or that they felt there should have been a higher level of proactive communication from their consultant (24 percent).

Plan design changes continue as almost half (48 percent) of global plans are closed to new hires. Additionally, 49 percent of U.S. poll participants said that additional funding relief - beyond last December's relief bill - is still needed.

The poll, conducted by SEI's Pension Management Research Panel, was completed in July 2009. None of the poll participants were institutional clients of SEI. 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, healthcare 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 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](http://www.seic.com/institutions).

#### *About SEI*

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