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SEI Poll: Investment Managers Optimistic but Remain Focused on Increasing Efficiency

Addressing New Regulatory Requirements Remains a Significant Challenge

OAKS, PA -- (MARKET WIRE) -- 04/14/11 -- Despite ongoing regulatory challenges and political uncertainty, investment managers are optimistic about their business outlooks. They plan to continue to invest to increase efficiency, reduce risk, and enhance the client experience, according to a poll released today by SEI (NASDAQ: SEIC). The poll, conducted at a recent event for the company's investment manager clients, shows that nearly all participants (88 percent) are optimistic about their firms' business prospects over the next three years. There are a number of reasons behind the optimism, but positive market expectations (29 percent) and firm-specific strengths, such as superior performance (22 percent) and well-respected brands (19 percent), were cited most frequently. For the minority of managers (12 percent) expressing concern about their prospects, weak distribution strategies and insufficient distribution resources were the biggest concerns.

The poll revealed that while many managers are optimistic, they are not complacent, with many firms making investments in the areas of operations, marketing and distribution, and client service. In fact, the vast majority of managers polled have already taken steps, or have plans to take steps, to improve their growth potential, with 84 percent making material personnel or technology investments to enhance client service. The top areas for investment in 2011 cited in the poll include: hiring of additional marketing and distribution personnel (34 percent), back office operations and technology (28 percent), and compliance and regulatory functions (17 percent).

"It's refreshing to hear that optimism is the prevailing sentiment among managers, but it's even better to know that firms continue to invest to position themselves for the future," said [Phil Masterson](#), Managing Director for SEI's Investment Manager Services division. "We know achieving operational efficiencies is a key area of focus for many firms. SEI continues to invest in new technologies and processes to help our outsourcing clients achieve those efficiencies and help them thrive in the changing regulatory environment. We will continue to focus on providing the most scalable and transparent operational platform so our investment manager clients can focus on better serving their investors."

The poll also revealed that meeting new regulatory requirements remains the top challenge among managers, with one in three respondents (33 percent) identifying this as the most significant challenge to the industry over the next 12-18 months. Participants were split on the effect of new financial regulation; however, half of those polled believe new regulations will have a significant effect on the profitability of their firms while 41 percent of participants expect insignificant impact.

Managers were not split, however, on the top channels for growth for the next 12-18 months, as nearly half of respondents (46 percent) ranked the institutional channel as the greatest opportunity for asset growth among client segments and distribution channels. Other respondents named RIAs/IFAs (20 percent), retirement plans (18 percent), and sovereign wealth funds (11 percent) as top growth opportunities.

The poll was completed by C-level and senior executives across management operations, distribution, and investment professions. For more details a summary of the poll is available for download on SEI's website: www.seic.com/managerpoll.

About SEI's Investment Manager Services Division

SEI's Investment Manager Services division provides comprehensive operational outsourcing solutions to global investment managers focused on mutual funds, hedge and private equity funds, exchange traded funds, collective trusts, and separately managed, as well as institutional and private client, accounts. 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. The division has been recognized by HFMWeek as "Most Innovative Fund Administrator (Over \$30bn AUA)" and "Best Funds of Hedge Funds Administrator (Over \$30bn AUA)." For more information, visit <http://www.seic.com/IMS>.

About SEI

SEI (NASDAQ: SEIC) is a leading global provider of investment processing, fund processing, and investment management business outsourcing solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of December 31, 2010, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$416.0 billion in mutual fund and pooled or separately managed assets, including \$172.3 billion in assets under management and \$243.7 billion in client assets under administration. For more information, visit www.seic.com.

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