September 22, 2011

SEI Quick Poll: Nonprofits Continue to Increase Diversification to Help Manage Market Volatility

Nearly Three-Quarters (73 percent) Have Added New Asset Classes to Portfolios

OAKS, PA -- (MARKET WIRE) -- 09/22/11 -- An SEI (NASDAQ: SEIC) Quick Poll released today reveals that nonprofits are continuing to add new asset classes to portfolios in an effort to decrease ongoing investment volatility. Nearly three-quarters (73 percent) said this was the risk management measure they have already taken, followed by 40 percent who said they have increased allocations to inflation protection strategies, such as TIPS (Treasury Inflation Protection Strategies) and commodities. Results also showed that while half of the nonprofits polled have less than 10 percent of the portfolio in illiquid investments, nearly a third (29 percent) have 21 percent or more of the portfolio invested in illiquid assets.

According to poll respondents, the most popular alternative investments currently used are private equity and funds of hedge funds, as more than half (55 percent) of all respondents indicated they were investing in each. Commodities (44 percent) and private real estate (40 percent) ranked second and third. When asked which alternatives they are considering investing in this year, more than one in ten (11 percent) ranked private equity and commodities the highest.

"Over the past year, nonprofits have been turning to risk management measures as a way to protect their portfolios from the continuing market turbulence," said Chris LaMarca, Nonprofit and Healthcare Investment Director for SEI's Institutional Group. "But no single technique is a quick fix. Uncertainty regarding how to best support spending policies and how to offset the impact of inflation are just a couple of concerns that support the increased interest in outsourcing. Investment management is becoming increasingly complex and nonprofits are recognizing the need for expanded resources and expertise."

The majority of poll participants (59 percent) reported that when a change to their investment management approach is next considered, their organization will evaluate an outsourced approach -- defined as an implemented consultant, outsourced-CIO or a fiduciary management model. Only one in six (16 percent) respondents managing endowments said their investment committee would ever consider managing their portfolio internally, without any outside support.

The poll was completed by 135 U.S. nonprofit executives and investment committee members responsible for overseeing endowments and foundations ranging in size from US $25 million to more than $1 billion. None of the respondents were institutional clients of SEI.

For a copy of the complete survey results, please email seiresearch@seic.com.

About SEI's Institutional Group
SEI's Institutional Group delivers integrated healthcare, retirement and nonprofit investment solutions to more than 450 global institutional clients 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.

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 June 30, 2011, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $430 billion in mutual fund and pooled assets or separately managed assets, including $180 billion in assets under management and $250 billion in client assets under administration. For more information, visit www.seic.com.

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