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## SEI Poll: Pension Scheme Trustees Want the Impact of Quantitative Easing Reduced

LONDON -- (Marketwire) -- 08/20/12 -- The results of a poll published by [SEI](#) (NASDAQ: SEIC), a leading global provider of [fiduciary management](#), reveal that U.K. pension schemes do not think the Pensions Regulator has gone far enough in its efforts to reduce the impact of quantitative easing (QE) for pension schemes. A resounding 80 percent of those surveyed felt that the Pensions Regulator should provide more flexibility in the current rules to reduce the impact of QE on pension scheme liabilities. In April this year, the Pensions Regulator announced that it would provide flexibility in recovery plans where sponsors were struggling to pay, but ruled out any more far-reaching allowances around assumptions or other rules.

The respondents who felt that more flexibility should be introduced were asked what they thought would be the most impactful change. Fifty percent of those surveyed felt that pension scheme liabilities should be based on an average of the last three years' bond yields, 38 percent felt that the period for meeting funding objectives should be extended, and 12 percent felt that the pension protection levy should be decreased.

SEI's poll comes on the back of the Bank of England Monetary Policy Committee making the decision to extend QE by a further £50 billion of bond purchases in July, taking the overall total of QE to £375bn, with more expected in November of this year. Following the most recent round of QE in July, 10-year gilt yields fell to record lows of 1.4 percent, representing an increase of approximately £40bn in liabilities.

*Commenting on the poll results, [Charles Marandu](#), Director, European Institutional Advice, SEI's Institutional Group, said:*

"The results demonstrate that pension-scheme trustees remain concerned that QE is distorting market interest rates and pushing up scheme deficits. The Pensions Regulator's statement that flexibility exists within recovery plans seems to have given trustees little comfort, as there was no relief for headline scheme deficits. Most trustees polled favoured smoothing the volatility in funding positions by using an average of historical interest rates to determine the funding liabilities, but, as yet, these measures have been resisted by the authorities.

"One possible relief measure could be to allow a degree of extra flexibility in the setting of discount rates which explicitly adjusts for QE without necessarily requiring the scheme investment policy to be re-risked in order to support it."

The precedent for smoothing the discount rate has already been set by several countries in the recent past, including the Netherlands and Denmark.

SEI's poll, conducted in July 2012, was completed by Trustees, Finance Directors, and other Pension Fund executives from 51 different pension funds. None of the poll participants were clients of SEI. For more information about SEI's Fiduciary Management offering, email [fiduciarymanagement@seic.com](mailto:fiduciarymanagement@seic.com) or visit [SEI - Fiduciary Management - UK](#).

#### *About SEI's Institutional Group*

SEI's Institutional Group is the first and largest global provider of outsourced fiduciary management investment services. The company began offering these services in 1992 and today acts as a fiduciary manager to approximately 450 retirement, nonprofit and healthcare clients in six different countries. Through a flexible model designed to help our clients achieve financial goals, we provide asset allocation advice and modeling, investment management, risk monitoring and stress testing, active liability-focused investing and integrated goals-based reporting. For more information visit: <http://www.seic.com/enUK/institutional-investors.htm>.

#### *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, 2012, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$424 billion in mutual fund and pooled or separately managed assets, including \$182 billion in assets under management and \$242 billion in client assets under administration. For more information, visit <http://www.seic.com/enUK/index.htm>.

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