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Liability Driven Investing Main Topic at SEI'S 2012 Pension Management Strategy Client Conference

Survey of Pension Clients Shows Interest in Lump Sum Options

OAKS, PA -- (Marketwire) -- 09/26/12 -- [Liability driven investing \(LDI\)](#), the implications of new pension legislation, and strategies for reducing pension liabilities via lump sum payments were among the most popular topics of discussion at SEI's (NASDAQ: SEIC) recent 2012 Pension Management Strategy Client Conference. More than 70 of SEI's U.S. corporate pension clients participated in the conference that was held Sept. 12-14 at the company's headquarters in Oaks, PA. The senior executives in attendance oversee plans in various lifecycle stages ranging from fully active to closed and frozen.

The goal of the conference was to provide a detailed look at various solutions for addressing the top pension investment management challenges clients are currently facing. Sessions focused on the ongoing need to manage against plan liabilities by implementing customized and active LDI strategies with the consideration of corporate risk management as a vital part of this process. SEI demonstrated examples of how its custom LDI solutions have helped various clients manage growing liability challenges. In addition, much time was spent discussing specific options for liability reduction including the use of lump sum payments, buy-in and buy-out strategies, and annuities. Clients strategized in breakout sessions to discuss and share ideas amongst themselves.

"SEI's unique framework for implementing custom and active LDI strategies, while integrating corporate risk management and financial goals, is a key differentiator that has benefited many of our clients over the last decade," said [Roger Messina](#), Managing Director, SEI's [Institutional Group](#). "The event proved beneficial as clients gained an in-depth understanding of the latest techniques for managing their liability concerns, as well as the impact of a constantly changing pension funding and regulatory landscape."

The event's keynote address was delivered by Bradley Belt, Sr. Managing Director, Milken Institute and former Executive Director of the Pension Benefit Guaranty Corporation (PBGC). Mr. Belt discussed the recent Moving Ahead for Progress in the 21st Century Act (MAP-21), noting that relief is not needed by all plan sponsors and offering his thoughts on potential alternative options for relief.

"Rather than providing across the board funding relief, as many companies don't need it, I would prefer flexibility be given to the PBGC -- which would need to be done legislatively -- to negotiate appropriate relief on a case by case basis. This would lessen the likelihood of greater losses down the road," noted Mr. Belt during his presentation.

In addition, SEI clients participated in a real-time survey, highlighting some of the opinions of pension plan sponsors on current topics:

- 46 percent of attendees said that their organizations' biggest concern relative to the pension plan was "volatility of funded status."
- The group was divided on selecting the single most important decision-making criteria for making asset allocations: 33 percent said it was "reducing volatility of contributions," 31 percent said it was "impact on Value-at-Risk," and 29 percent said it was "minimizing projected contributions." The remaining seven percent said it was "impact on earnings."
- 48 percent said they are not considering a plan design change (e.g. closing the plan) in the next 1-3 years; however, 44 percent said they will consider terminating the plan beyond the next three years.
- 34 percent said their organizations are considering lump-sum options for term vested participants within the next 1-3 years.

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 450 retirement, nonprofit and healthcare clients in seven 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/institutions>.

About SEI

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