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SEI Poll: Many Nonprofits Face Investment Governance Challenges

Survey Finds Nonprofits Face Resource Constraints and Investment Management Hurdles

OAKS, PA -- (Marketwired) -- 10/15/13 -- SEI (NASDAQ: SEIC) today released the results of a survey on investment governance practices and challenges, completed by 165 U.S. not-for-profit foundations and endowments. The survey found that most nonprofit portfolios are governed by an average seven-person investment committee, with only about three committee members having investment experience. A little more than half (55 percent) of participating organizations reported having no set term limit for the committee chair, and 23 percent reported a turnover of committee chairs annually or biennially. About one-quarter of organizations also reported having full-time internal investment staff; however, the average size of such staffs equates to less than one person.

"Individuals responsible for the governance of a nonprofit's investment portfolio have a challenging job. Not only are they managing spending policies, volatile markets, long time horizons and complex investment line-ups in support of the core mission, but they are often limited in time and resources, and sometimes investment expertise," said Mary Jane Bobyock, Director of Nonprofit Advice, SEI's Institutional Group. "Having a well-defined Investment Policy Statement and investment governance process can help streamline decision-making and create a uniform investment strategy, which are fundamental to executing important portfolio decisions in a timely and nimble manner."

According to the poll, only 17 percent of participating organizations are able to quickly make asset allocation changes to the investment portfolio all of the time. About half (48 percent) said it takes three months to more than one year to reach a collective decision on a new asset allocation strategy. The survey also found that more than two-thirds (68 percent) of participants are unable to make timely and efficient manager changes all of the time. For nearly half (49 percent), it takes anywhere from three months to more than a year to fire a poorly-performing manager.

Committee member education was another common hurdle many poll participants pointed to, some of whom said their biggest challenges include: "keeping investment committee members educated and current with information," "compliance with ever-changing regulations," "creating a continuing education process," and "getting new committee members up to speed."

For the full U.S. poll summary, please visit: www.seic.com/governance2013. For a North American version with Canadian results, please visit: www.seic.com/CAgovernance2013.

About SEI's Institutional Group
SEI's Institutional Group is one of the first and largest global providers of outsourced fiduciary management investment services. The company began offering these services in 1992 and today acts as a fiduciary manager to more than 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
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, 2013, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $507 billion in mutual fund and pooled or separately managed assets, including $204 billion in assets under management and $303 billion in client assets under administration. For more information, visit www.seic.com.

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