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SEI Study: Wealth Managers Must Combine Value and Values to Attract World's Wealthy

Futurewealth Report Cites Reputation and Costs as Top Elements in Manager Selection

OAKS, PA -- (Marketwired) -- 02/05/14 -- When looking to start a relationship with a new advisor, the world's up-and-coming wealthy are most attracted to wealth managers who can demonstrate a blend of values and value, according to a new study released today by SEI (NASDAQ: SEIC), Scorpio Partnership, and NPG Wealth Management. The study, titled "The Futurewealth Report 2014: The quest for a valued relationship," surveyed 3,025 respondents globally with an average \$2.9 million in net worth. When asked to select the important attributes for picking a wealth manager, the firm's reputation for quality of products and services (74 percent) was the most frequently chosen response, closely followed by the costs associated with the products and services (64 percent). The results indicate that a wealth manager's character and fees are critical factors in the minds of the Futurewealthy when evaluating potential relationships.

"We are committed to developing new ways to enhance the customer experience. To that end, we wanted to delve deeper into clients' motivation and learn about what drives them as customers," said Alfred P. West, Jr., Chairman and Chief Executive Officer of SEI. "Through these studies we have not only gained unique insight into the psyche of the Futurewealthy, but have analyzed the elements they value in their relationships with wealth advisors. We hope this research helps wealth management organizations identify areas where they need to improve and provides them with a roadmap to do so."

The study reveals that individuals on the fast track to wealth pursue various avenues of introduction with and investigation of potential wealth managers. More than a fifth (22 percent) seek out the advice of friends or family before making a selection, while 15 percent of respondents conduct their own research of the advisor market. The results also pointed to changing circumstances as a significant driver for why the Futurewealthy sought new wealth management relationships. When asked about the circumstances that led them to search, the top responses were the desire to diversify assets (30 percent), followed by the purchase of a home (21 percent), and promotion or change in career (20 percent).

"What we're seeing from investors and what the study's findings support is that the process for selecting a wealth manager is not a random one, but rather an inquisitive, investigative, and exhaustive search for the best partner," said Ryan Hicke, Senior Vice President, SEI Wealth Platform(SM). "As client requirements evolve, the need for managers to collect and manage client data and turn it into meaningful information becomes paramount to ensure the consistency of the overall client experience for every individual. Moving forward, wealth managers must leverage technology, particularly its ability to interpret customer insight, to their advantage in delivering that client experience."

According to the results, the Futurewealthy work with multiple providers for advice regarding their personal investments. While they typically work with three or four firms, the Futurewealthy on average entrust half of their investable wealth (51 percent) to a primary advisor. But, at the same time, less than a third of the Futurewealthy (31 percent) believe their primary wealth advisor has a solid understanding of their total financial picture.

"This study shows that the Futurewealthy are constantly searching for a more valued relationship and are open to the idea of switching primary advisors in order to attain it," said Kevin Crowe, Head of Solutions, SEI Advisor Network. "That creates a strong opportunity for advisors to foster a personal connection with these wealthy individuals by getting to know them and their entire financial picture. Advisors who understand what it takes to capture the attention of the Futurewealthy are the ones who will successfully attract and engage long-lasting relationships."

While reputation and cost were the top factors in choosing a wealth manager, performance (17 percent) was the top factor for the Futurewealthy in deciding to stay with their primary wealth advisor. Having the solutions and services to meet their needs was a close second (15 percent), followed by being happy with the advice provided (13 percent). Even though performance topped the list, the results reveal it is only one of many important factors influencing Futurewealthy to remain with an advisor.

This paper is the first in a four-part series delving into the findings of the Futurewealth Project, which maps the journey of the world's up-and-coming wealthy with their wealth manager. The remaining reports will focus on the key touch-points for clients when carrying out a transaction, how the relationship develops, and what it takes for them to recommend their provider. For more information, please visit <http://www.seic.com/enUS/about/13426.htm>.

About the SEI Wealth Platform(SM)

The SEI Wealth Platform (the Platform) is an outsourcing solution for wealth managers encompassing wealth processing services and wealth management programs, combined with business process expertise. With the Platform, SEI provides wealth management organizations with the infrastructure, operations, and administrative support necessary to capitalize on their strategic objectives in a constantly shifting market. The SEI Wealth Platform supports trading and transactions on 104 stock exchanges in 45 countries and 33 currencies, through the use of straight-through processing and a single operating infrastructure environment. For more information, visit: www.seic.com/seiwealthplatform.

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, 2013, through its subsidiaries and partnerships in

which the company has a significant interest, SEI manages or administers \$559 billion in mutual fund and pooled or separately managed assets, including \$232 billion in assets under management and \$327 billion in client assets under administration. For more information, visit www.sei.com.

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