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SEI Paper: Investment Management Firms Must Maximize Technology Initiatives to Increase Business Value

Outsourcing Partners Create Streamlined Processes and Operational Efficiencies

OAKS, PA -- (Marketwired) -- 04/30/14 -- As the asset management industry goes through a transformative period dominated by the conflicting trends of growth and uncertainty, investment management firms must maximize their technology initiatives to add value to their businesses, according to a paper released today by [SEI](#) (NASDAQ: SEIC). The paper, "[Reinventing Buy-Side Infrastructure](#)," explains how outsourcing, especially with regard to middle- and back-office solutions, can create streamlined processes and operational efficiencies that allow firms to focus their efforts on adding proprietary value.

Based on one-on-one interviews with executives of investment management firms, the report covers a range of topics, including current buy-side technology initiatives, business and budgetary drivers, and the changing attitudes towards buy versus build. A clear theme emerged around the search for value in operations and the opportunity for investment managers to make the most of their infrastructure by strategically partnering with service providers that support both current and future business goals.

"While assets under management, investor demands, and regulatory requirements are all still growing, overarching uncertainty has discouraged firms from similarly expanding their resource allocations," said Jim Warren, Head of Solutions for SEI's [Investment Manager Services division](#). "The resulting budgetary immobility has shifted the pressure onto technology initiatives to deliver far more efficiently in order to achieve growth. It's become clear that the current environment supports the trend toward outsourcing back- and middle-office functions to create that efficiency. It's no longer a decision of 'buy versus build' for investment managers, it's become 'partner or perish.'"

The executives who were interviewed for this paper also identified reporting and data management as the top technology initiatives, and believed that having clean and consistent data throughout the pre- and post-trade life cycle will offer advantages over their peers. Additionally, they explored key drivers in determining budgets, the trade-offs between the different levels of outsourcing, and the process of selecting service providers. Despite an

array of available service provider solutions to choose from, many struggle with the trade-offs between longstanding or emerging technology, best-of-breed or integrated solutions, and which providers will prove to be the best long-term partners.

"Selecting the right service provider can be a drawn-out experience, and it's important to choose a provider that clearly adds value, one you consider a true partner," said [Ross Ellis](#), Vice President, [Knowledge Partnership](#) for SEI's [Investment Manager Services division](#).

"Ultimately, the goal is to establish a long-term relationship with a provider that understands your firm, is easy to work and grow with, offers good value, and has a good industry reputation. While not a one-size-fits-all business proposition, outsourcing is clearly the direction this industry is trending."

The paper was published by the SEI Knowledge Partnership, which provides ongoing action-oriented business intelligence and guidance for SEI's investment manager clients. To request the full paper, visit www.seic.com/ReinventingBuyside.

About SEI's Investment Manager Services Division

SEI's Investment Manager Services division provides comprehensive operational outsourcing solutions to support investment managers globally across a range of registered and unregistered fund structures, diverse investment strategies and jurisdictions. With expertise covering traditional and alternative investment vehicles, the division applies customized operating services, industry-leading technologies, and practical business and regulatory insights to each client's business objectives. SEI's resources enable clients to meet the demands of the marketplace and sharpen business strategies by focusing on their core competencies. The division has been recently recognized as a Top Rated Fund Administrator by Global Custodian, as "Best Administrator - Client Service" by CTA Intelligence, "Best Fund Administrator" by Buy-Side Technology and "Most Innovative Fund Administrator" (Over \$30B AUA) in the U.S. and in Europe for hedge funds by HFMWeek. For more information, visit www.seic.com/ims.

About SEI

SEI (NASDAQ: SEIC) is a leading global provider of investment processing, investment management, and investment operations solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of March 31, 2014, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$582 billion in mutual fund and pooled or separately managed assets, including \$239 billion in assets under management and \$343 billion in client assets under administration. For more information, visit www.seic.com.

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