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SEI Unveils Advisors' Perspectives on Key Sustainability Issues

Survey Highlights Importance of Education Amid Increasing Client Demand for Sustainable Investing Solutions

OAKS, Pa., Sept. 21, 2021 /PRNewswire/ -- SEI (NASDAQ: SEIC) today announced the results of its inaugural sustainable investing survey, which examines insights from nearly 800 registered investment advisors (RIAs) on core sustainable investing topics, including education, investment strategy and sustainability priorities.

"COVID-19 and the racial equity movement accelerated the already pronounced investor effort to match their investments with their sustainability priorities," said Jana Holt, Global Director, Sustainable Investing Solutions at SEI. "RIAs play a central role in supporting their clients' portfolio construction, so it's crucial that they are well positioned to provide the insight and support clients need to determine how they can best allocate in alignment with their values."

Key survey findings include:

COVID-19 and Racial Equity Movement Increase Sustainable Investing Interest

- One-third of RIAs experienced increased client interest in sustainable investing amid the pandemic and racial equity movement.

Lack of Knowledge Impedes Utilization and Uptake

- Twenty percent of RIAs remain unfamiliar with sustainable investing and do not plan to use sustainable investing strategies with clients within the next two years.
- Forty percent of RIAs feel that they still do not know enough about sustainable investments to make suitable sustainable investing recommendations to clients.
- Nearly one-in-three RIAs (30%) express that sustainable investment strategy performance is the biggest barrier to implementing ESG funds in client portfolios while 19% cite their lack of information and education. Just 9% of RIAs point to greenwashing as a concern.

Importance of Client Demand and the Shifting Client Profile

- RIAs predominantly (80%) point to client demand as the primary driver of incorporating sustainable investing strategies in a portfolio.
 - Nearly half (42%) of RIAs report that their clients express interest in sustainable investing at least sometimes.
 - Yet, only 34% of RIAs have implemented sustainable investing strategies for their clients.
- Among RIAs with clients who express interest in sustainable investing strategies, demand was fairly balanced across millennials, Baby Boomers and GenX.

ESG Integration and Climate Lead Sustainable Investing Preferences

- Almost half of RIAs (47%) say they are most interested in ESG integration strategies, with a nearly equal number of them preferring both impact (27%) and exclusionary (25%) strategies instead.
- Climate and climate-related issues, including alternative or renewable energy and natural resources, are the most often-cited priorities for RIAs, with nearly three times more interest than issues like multicultural and gender diversity.

"Our research demonstrates that RIAs are committed to addressing the rising client and prospect demand for sustainable investing, but don't yet feel prepared to deliver appropriate counsel or investment strategy," said J. Womack, Managing Director of Investment Products & Services for SEI's advisor business. "It's critical that we continue to educate advisors so that they can confidently embrace the increasing demand and empower all investors to achieve their financial and sustainability goals."

Methodology:

Results are from a survey conducted by SEI in late 2020, in which nearly 800 Registered Investment Advisors answered questions about sustainable investing.¹

ESG guidelines may cause a manager to make or avoid certain investment decisions when it may be disadvantageous to do so. This means that these investments may underperform other similar investments that do not consider ESG guidelines when making investment decisions. ESG and Sustainability are not uniformly defined across the industry.

About Independent Advisor Solutions by SEI

Independent Advisor Solutions by SEI delivers technology and investment solutions that provide a unified, digital wealth management experience for independent financial advisors and their clients. The integration of technology, investment flexibility, custody services and practice management tools connects advisors to their clients and empowers confident decision-making for their financial futures. A strategic business unit of SEI and serving the independent financial advisor market for nearly 30 years, Independent Advisor Solutions works with over 7,500 advisors and supports approximately \$95.2 billion in advisors' total platform assets*, which includes \$81.6 billion in assets under management (as of June 30, 2021). For more information, visit seic.com/advisors.

*\$13.6 billion in platform assets represents third-party assets held in custody accounts at SEI Private Trust Company.

About SEI

After 50 years in business, SEI (NASDAQ:SEIC) remains a leading global provider of investment processing, investment management, and investment operations solutions

designed to help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of June 30, 2021, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages, advises or administers approximately \$1.3 trillion in hedge, private equity, mutual fund and pooled or separately managed assets, including approximately \$399 billion in assets under management and \$880 billion in client assets under administration. For more information, visit seic.com.

1. For purposes of the survey, sustainable investing was defined as the alignment of investment objectives with social and/or environmental considerations. Approaches to sustainable investing may include exclusions/negative screening, environmental, social, and governance (ESG) integration, and impact investing.

Greenwashing is the process of conveying a false impression or providing misleading information about a company's products to make them appear environmentally friendly.

Company Contact:

Netanel Spero
SEI
+1 610-676-4556
nspero@seic.com

Media Contact:

Kerry Mullen
Vested
+1 917-765-8720
kerry@fullyvested.com

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