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SEI Quick Poll: During 'Year of Volatility,' Investors Dial Up Pressure, Demand More Communication From Advisors

Despite Volatility, Nearly Half of Firms Grew by More Than 10 Percent in Net New Assets

OAKS, PA -- (MARKET WIRE) -- 12/22/11 -- According to an SEI (NASDAQ: SEIC) Quick Poll released today, 2011 will be remembered as "The Year of Volatility" or "The Year of Uncertainty" among investors. The volatility had a direct impact on investor expectations. Compared to 2010, advisors communicated with clients more frequently and felt more pressure to keep clients satisfied. Additionally, when asked what investors wanted more of in 2011, "personal communication" far outweighed "reporting" or "education." Due to the market volatility, advisors said that many of their clients realized "they're not as risk tolerant as they originally thought." The market volatility also impacted investor sentiment and investing actions. More than half of advisors (53 percent) said their clients' mindset could best be described as "apprehensive" and managed volatility was the most popular investment strategy in 2011.

"Everyone knows the market volatility unnerved investors in 2011. But, in reality, it also rattled financial advisors as well," said [Steve Onofrio](#), Managing Director, [SEI Advisor Network](#). "While some were distracted by the market volatility, the best advisors continued to focus on what investors want and need -- personal communication. And it isn't simply a matter of increasing communication; advisors also need to focus on delivering quality content in a consistent and deliberate manner."

Throughout 2011, investors and advisors alike spent a great deal of time worrying. When asked what dominated client conversations the most -- another market correction, retirement issues, implications of the federal deficit or global instability -- nearly half of advisors (40 percent) said global instability was the top concern in 2011. Of the 'Big 3' -- Europe, United States, and China -- a majority of advisors are most worried about eurozone issues. Advisors were evenly divided on what did, or didn't, keep them up at night between "running my business," "the markets," and "keeping my clients happy." Only one-quarter of advisors said they slept well in 2011.

"The past few years have had a profound impact on investors and what they are looking for," said Patrick Tucker, Principal at Meridian Management, Inc. in Omaha, Nebraska. "They aren't just looking for more investment reports or lengthy documents explaining the current status of the financial markets. While they value these things, first and foremost they want personal communication -- direct contact through calls, emails, and meetings -- with their financial advisor about issues that matter like the status of their goals, personal situation and plans for the future. Advisors who step up and meet the challenge will be successful in 2012."

While 2011 was a year of worry for investors and advisors, it was also an opportunity for some advisors to grow their business. Nearly half (40 percent) of advisors said their firm grew by more than 10 percent in 2011 in net new assets; 12 percent of all advisors said their firm grew by more than 20 percent. When it comes to growing a firm, advisors say the most useful strategy, by far, is through client referrals.

However, not all advisors were focused on growth. Nearly half (45 percent) said their top priority was to "strengthen existing client relationships." Half of advisors said they "made great progress" on their top priority, while roughly one-third (38 percent) said they took "a few steps forward and a few steps back."

The poll, conducted by the SEI Advisor Network, surveyed 200 financial advisors during December 2011. Nearly two-thirds of the respondents (65 percent) have spent at least 15 years as an advisor.

To learn more about the SEI Advisor Network, please visit www.seic.com/advisors.

About The SEI Advisor Network

The SEI Advisor Network provides financial advisors with turnkey wealth management services through outsourced investment strategies, administration and technology platforms, and practice management programs. It is through these services that SEI helps advisors save time, grow revenues, and differentiate themselves in the market. With a history of financial strength, stability, and transparency, the SEI Advisor Network has been serving the independent financial advisor market for more than 16 years, has over 5,800 advisors who work with SEI, and \$28.8 billion in advisors' assets under management (as of Sept. 30, 2011). The SEI Advisor Network is a strategic business unit of SEI. For more information, visit www.seic.com/advisors.

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 September 30, 2011, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$395 billion in mutual fund and pooled assets or separately managed assets, including \$162 billion in assets under management and \$233 billion in client assets under administration. For more information, visit www.seic.com.

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