October 1, 2012

SEI Quick Poll: Nonprofits Turn to Portfolio Diversification and Investment Outsourcing in Complex Market

More Than Half of Nonprofit Executives Would Partner With an Investment Outsourcing Provider

OAKS, PA -- (Marketwire) -- 10/01/12 -- According to an SEI (NASDAQ: SEIC) Quick Poll released today, market volatility has continued to impact nonprofit investment management, with almost half (46 percent) of U.S. nonprofit foundations and endowments saying volatility has had a high or extremely high impact on their investment strategies so far in 2012. Of the 110 nonprofit executives and investment committee members participating, almost two-thirds (64 percent) said they have increased portfolio diversification via new asset classes as part of a risk management strategy to combat volatility this year.

Private equity was the most popular alternative investment product, with 66 percent currently invested in this product, followed by commodities (56 percent). Almost half of poll participants (46 percent) allocate between 1-10 percent of the portfolio to illiquid assets, with larger nonprofits demonstrating a strong threshold for illiquidity. Almost one-quarter of organizations with more than $300 million in assets have more than 31 percent of the portfolio invested in illiquid assets. None of the participating organizations with more than $1 billion in assets have decreased their allocations to illiquid investments this year.

"Investment management continues to grow in complexity for nonprofit organizations. Asset allocations need to combat volatility, while also hedging against inflation and supporting spending and liquidity needs," said Mary Jane Bobyock, Director of Nonprofit Advisory Services for SEI's Institutional Group. "Many nonprofits lack the time and resources to effectively react to and capitalize on market changes. There is increased interest in partnering with an investment outsourcing provider to serve as an extension of the investment committee and execute more timely investment decisions."

More than half (56 percent) of poll participants said that their organizations currently use or would consider using an investment outsourcing provider; and almost one-quarter (24 percent) said their organizations are considering outsourcing by the end of 2012. Participants said the top three differentiators when evaluating an investment outsourcing

provider are transparent and comprehensive reporting, a long-term track record for discretionary services, and strategic advice with a point of view.

The poll was completed by 110 U.S. nonprofit executives and investment committee members responsible for overseeing endowments and foundations ranging in size from U.S. $25 million to more than $1 billion. None of the respondents were institutional clients of SEI.

For a copy of the complete survey results, please email seiresearch@seic.com.

About SEI's Institutional Group
SEI's Institutional Group is the first and largest global provider of outsourced fiduciary management investment services. The company began offering these services in 1992 and today acts as a fiduciary manager to 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, 2012, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $424 billion in mutual fund and pooled or separately managed assets, including $182 billion in assets under management and $242 billion in client assets under administration. For more information, visit www.seic.com.

Media Contact:
Laura Edling
SEI
+1 610-676-3827
ledling@seic.com

Source: SEI