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# SEI Poll: Nonprofit Investment Committees Aim To Address Liquidity Needs and Fiduciary Roles in 2010

## Interest in Alternatives Remains High, But Comes with Concerns

OAKS, Pa., Jan. 6 /PRNewswire-FirstCall/ -- An SEI (Nasdaq: SEIC) Quick Poll released today shows that nonprofit foundations and endowments are concerned about liquidity, defining fiduciary roles, and protecting against potential inflation as they head into 2010. Nearly all (98 percent) of the poll respondents said that maintaining liquidity across the portfolio was a priority. Additionally, 40 percent said the organization has increased the overall percentage of assets in cash reserves, compared to recent years.

More than three-quarters (84 percent) of the poll respondents said that defining fiduciary responsibilities for trustees and investment consultants was a priority for 2010. While 70 percent of the respondents said the organization currently uses an investment consultant, 40 percent of that group said they plan on evaluating the consultant or investment advisor relationship within the next two years.

"Gone are the days when the advisor's responsibility ends with the recommendation of managers. This poll suggests investment committees want more direction and greater accountability from individuals giving them investment guidance," said Carolyn McLaurin, Vice President and Managing Director of SEI's Nonprofit Group. "Nonprofits are demanding portfolio construction advice that addresses their challenges, such as how to build portfolios with fewer restrictions when accessing funds. Accountable partners who can provide these services will be the model of choice moving forward."

Defining fiduciary responsibilities for trustees and investment consultants was identified as an "extremely high priority" for 2010. This is in part fueled by the fact that nearly one-quarter (24 percent) of respondents said their investment committee is concerned about having the resources required to perform the necessary due diligence around investment managers. Inflation concerns are also very important to poll respondents. Nearly all (96 percent) said inflation concerns are a priority, while nearly one-fifth (14 percent) identified this as an "extremely high" point of interest.

Most respondents (88 percent) said the organization has assets invested in alternatives, with 40 percent indicating the allocation was more than 20 percent of the overall portfolio. Nearly

one-quarter (22 percent) of respondents said the organization plans to increase their current allocation of alternatives in the next six months. Among alternatives, the two most popular currently used are hedge fund-of-funds (72 percent) and private equity (69 percent), according to respondents.

The poll, conducted by SEI's Nonprofit Management Research Panel, was completed in December 2009 by 103 financial executives and investment committee members from U.S.-based nonprofit organizations with total invested assets ranging from $25 million to more than $1 billion. None of the participants were institutional clients of SEI.

A complete summary of the poll is available by emailing seiresearch@seic.com.

**About SEI's Institutional Group**

SEI's Institutional Group delivers integrated healthcare, retirement and nonprofit investment solutions to more than 500 global institutional clients (of which 340 are U.S. based) in six different countries. SEI enables clients to meet financial objectives, reduce business risk, and fulfill their due diligence requirements through implemented fiduciary management strategies for defined benefit plans, defined contribution plans, endowments, foundations and other balance sheet assets. For more information, visit www.seic.com/institutions

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