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SEI Global Poll: 3rd Annual Liability Driven Investing Poll Finds a Significant Increase in Adoption

More Than Half of Plan Sponsors in Poll Currently Implementing LDI Strategy

OAKS, Pa., Nov. 18 /PRNewswire-FirstCall/ -- An SEI (Nasdaq: SEIC) Global Quick Poll released today highlights trends during the past three years among pension plans around their adoption, understanding and management strategies of liability driven investing.

To access the social media press release on SEI's website, please click http://www.seic.com/ldiglobalpoll.

Key Findings:

- An SEI Global Quick Poll shows that the percentage of pensions employing a Liability Driven Investing strategy has nearly tripled over the past three years from 20 percent in 2007 to 54 percent in 2009.
- Ninety percent of respondents said "controlling year-to-year volatility of funded status" is the primary objective of LDI.
- Nearly three-quarters (70 percent) said the recent market volatility has increased the value of LDI.
- Less than half (40 percent) defined LDI as, "Matching duration of assets to duration of liabilities," while nearly one-third (32 percent) said, "A portfolio designed to be risk managed with respect to liabilities."
- In 2007, "absolute return" was the highest ranked benchmark by 28 percent of poll participants. This year, only 15 percent of the poll participants identified this as the primary success metric.
- In 2007, 28 percent of respondents said that "improving funded status" was a primary benchmark; this year, 42 percent said that was the case.

- Nearly every poll participant (98 percent) said they are using long duration bonds as part of their LDI strategy. The second most common product is interest rate derivatives, though less than half (40 percent) chose this tactic.

Poll Facts:

-- A complete summary of the US poll is available here.
-- The poll was conducted by SEI's Pension Management Research Panel in September 2009.
-- It was completed by 150 executives from Canada, Netherlands, United Kingdom, and United States.
-- The executives oversee pensions ranging from US $30 million to more than US $5 billion in assets.
-- None of the poll participants were institutional clients of SEI.
-- This is SEI's third annual LDI poll. For more information, read the 2008 US release and summary as well as the 2007 US release and summary.

-- Further poll inquiries can be emailed to seiresearch@seic.com.

Quotes:

Comment on the Global and US Poll results:

"Never before have financial executives overseeing pensions been as challenged as they are right now. The ability to build strong strategies focused on the liabilities in the plan is critical and many pension executives are looking for guidance and expertise in accomplishing this," said *Jon Waite, Director, Investment Management Advice and Chief Actuary of SEI's Institutional Group*. "The poll results highlight an increased trend towards liability driven strategies as they are a component of the short- and long-term approach for successful plan management."

Comment on the UK and Netherlands poll results:

"The market turmoil of late 2008 and early 2009 caused a significant rise in DB pension deficits because return oriented assets generally fell in value and interest rates hit new lows. As a result, many pension funds have increased their interest in and adoption of LDI strategies," said *Charles Marandu, Director of European Advice for SEI's Institutional Group*. "It is our belief that the Netherlands has led the charge in this area because of a combination of legislation and progressive thinking by those responsible for running pension funds. The high take-up of Fiduciary Management in the Netherlands has clearly led to a better appreciation by Dutch pension scheme decision makers of the potential value of a liability driven approach. It can be argued that by comparing credit crunch experiences with schemes in the Netherlands, many UK pension scheme decision makers are coming to the same conclusion -- that improved governance can lead to better outcomes."

About SEI's Institutional Group

SEI's Institutional Group delivers integrated retirement, healthcare 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*.

About SEI

SEI (Nasdaq: SEIC) is a leading global provider of outsourced asset management, investment processing and investment operations solutions. The company's innovative solutions help corporations, financial institutions, financial advisors, and affluent families create and manage wealth. As of September 30, 2009, through its subsidiaries and partnerships in which the company has a significant interest, SEI administers $383 billion in mutual fund and pooled assets and manages $156 billion in assets. SEI serves clients, conducts or is registered to conduct business and/or operations, from numerous offices worldwide. For more information, visit [*www.seic.com*](http://www.seic.com).

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