

October 24, 2013



SEI Reports Third-Quarter 2013 Financial Results

OAKS, PA -- (Marketwired) -- 10/24/13 -- SEI Investments Company (NASDAQ: SEIC) today announced financial results for third-quarter 2013. Diluted earnings per share were \$.38 in third-quarter 2013 compared to \$.29 in third-quarter 2012.

Consolidated Overview

(In thousands, except earnings per share)

| | For the Three Months | | | For the Nine Months | | |
|--------------------------------|----------------------|------------|------|---------------------|------------|------|
| | Ended September 30, | | | Ended September 30, | | |
| | 2013 | 2012 | % | 2013 | 2012 | % |
| Revenues | \$ 280,655 | \$ 251,752 | 11 % | \$ 827,108 | \$ 730,887 | 13 % |
| Net Income attributable to SEI | 67,195 | 50,743 | 32 % | 222,609 | 150,263 | 48 % |
| Diluted Earnings Per Share | \$ 0.38 | \$ 0.29 | 31 % | \$ 1.26 | \$ 0.85 | 48 % |

"During the third quarter of 2013, the Company continued its positive progress across all of our business units. Our growth in revenues and profits reflect the impact of new client activity, growth of existing clients, and positive asset flows," said Alfred P. West, Jr., SEI Chairman and CEO.

"We continue to be encouraged by the market acceptance of our solutions. We are engaged in rapidly-changing markets requiring continued investment in our product and service offering. This enables us to enhance our competitive strength, accelerate our growth, and enhance long-term shareholder value."

Summary of Third-Quarter Results by Business Segment

(In thousands)

| | For the Three Months | | | For the Nine Months | | |
|----------------|----------------------|-----------|-----|---------------------|------------|------|
| | Ended September 30, | | | Ended September 30, | | |
| | 2013 | 2012 | % | 2013 | 2012 | % |
| Private Banks: | | | | | | |
| Revenues | \$ 97,370 | \$ 92,076 | 6 % | \$ 291,258 | \$ 268,367 | 9 % |
| Expenses | 95,579 | 91,209 | 5 % | 289,632 | 263,612 | 10 % |

| | | | | | | |
|--------------------------------|------------|------------|-------|------------|------------|--------|
| Operating Profit | 1,791 | 867 | 107 % | 1,626 | 4,755 | (66)% |
| Gain on sale of subsidiary | -- | -- | N/M | 22,112 | -- | N/M |
| Total Profit | \$ 1,791 | \$ 867 | 107 % | \$ 23,738 | \$ 4,755 | N/M |
| Operating Margin (A) | 2 % | 1 % | | 1 % | 2 % | |
| Investment Advisors: | | | | | | |
| Revenues | 61,393 | 51,384 | 19 % | 175,868 | 150,227 | 17 % |
| Expenses | 33,768 | 30,114 | 12 % | 98,291 | 88,440 | 11 % |
| Operating Profit | 27,625 | 21,270 | 30 % | 77,577 | 61,787 | 26 % |
| Operating Margin | 45 % | 41 % | | 44 % | 41 % | |
| Institutional Investors: | | | | | | |
| Revenues | 63,539 | 58,081 | 9 % | 190,385 | 167,293 | 14 % |
| Expenses | 33,058 | 29,654 | 11 % | 97,595 | 86,494 | 13 % |
| Operating Profit | 30,481 | 28,427 | 7 % | 92,790 | 80,799 | 15 % |
| Operating Margin | 48 % | 49 % | | 49 % | 48 % | |
| Investment Managers: | | | | | | |
| Revenues | 57,266 | 49,311 | 16 % | 166,542 | 142,235 | 17 % |
| Expenses | 37,763 | 32,122 | 18 % | 109,432 | 92,711 | 18 % |
| Operating Profit | 19,503 | 17,189 | 13 % | 57,110 | 49,524 | 15 % |
| Operating Margin | 34 % | 35 % | | 34 % | 35 % | |
| Investments in New Businesses: | | | | | | |
| Revenues | 1,087 | 900 | 21 % | 3,055 | 2,765 | 10 % |
| Expenses | 4,146 | 3,698 | 12 % | 11,774 | 11,080 | 6 % |
| Operating Loss | (3,059) | (2,798) | N/M | (8,719) | (8,315) | N/M |
| Totals: | | | | | | |
| Revenues | \$ 280,655 | \$ 251,752 | 11 % | \$ 827,108 | \$ 730,887 | 13 % |
| Expenses | 204,314 | 186,797 | 9 % | 606,724 | 542,337 | 12 % |
| Corporate overhead expenses | 14,402 | 11,668 | 23 % | 40,719 | 33,830 | 20 % |
| NCI reflected in segments | -- | (203) | N/M | (289) | (657) | N/M |
| Income from operations | \$ 61,939 | \$ 53,490 | 16 % | \$ 179,954 | \$ 155,377 | 16 % |

(A) Percentage determined exclusive of gain on sale of subsidiary.

Third-Quarter Business Commentary:

- Revenues increased in third-quarter 2013 as compared to both third-quarter 2012 and second-quarter 2013. Revenue growth was primarily driven by higher Asset management, administration, and distribution fees from improved cash flows from new and existing clients and market appreciation.
- Our average assets under management, excluding LSV, increased \$11.3 billion, or nine percent, to \$143.9 billion in the third-quarter 2013, as compared to \$132.6 billion during the third-quarter 2012, and increased \$3.0 billion, or two percent, as compared to \$140.9 billion during the second-quarter 2013. Average asset balances for the third-quarter 2012 include \$6.5 billion in assets related to SEI Asset Korea, which was sold in first-quarter 2013 (see attached Ending and Average Asset Balances schedules for further details).
- Sales events, net of client losses, during third-quarter 2013 totaled approximately \$20.7 million and are expected to generate net annualized recurring revenues of approximately \$18.3 million when contract values are fully realized.
- Income from LSV increased in third-quarter 2013 to \$31.3 million as compared to \$24.9 million in third-quarter 2012 due to an increase in assets under management. Our ownership interest in LSV was approximately 39.3 percent in third-quarter 2013 and 39.8 percent in third-quarter 2012.
- Stock-based compensation expense in third-quarter 2013 increased by \$7.2 million as compared to third-quarter 2012. This incremental expense reflects a change in our estimate of the timing of when stock option vesting targets will be achieved. The Private Banks segment recognized \$2.1 million of this incremental expense. The Investment Advisors, Institutional Investors, and Investment Managers segments each recognized approximately \$1.3 million in expense.
- Corporate overhead costs increased in third-quarter 2013 as compared to third-quarter 2012 due to \$1.2 million in increased stock-based compensation, increased personnel costs, and higher costs related to regulatory and compliance matters.
- The effective tax rates were 28.5 percent in third-quarter 2013, 39.0 percent in third-quarter 2012, and 35.5 percent in second-quarter 2013. The third-quarter 2013 tax rate was benefited by Pennsylvania Tax Law changes enacted during the third-quarter 2013. These changes resulted in a reduction of the deferred tax liability that has been built up over numerous years. The third-quarter 2012 tax rate reflected the accrual of taxes on the cumulative undistributed earnings of SEI Asset Korea.
- In third-quarter 2013, we repurchased 1.9 million shares of our common stock for \$58.6 million.

Earnings Conference Call

A conference call to review earnings is scheduled for 2:00 p.m. ET on October 24, 2013. Investors may listen to the call at www.seic.com/investors. The call may also be accessed at the financial services sections of numerous web sites, including Google Finance and Yahoo Finance. Investors may also listen to replays at these web sites, or by telephone at (USA) 1-800-475-6701; (International) 320-365-3844, access code 306035.

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, 2013, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$529 billion in mutual fund and pooled or separately managed assets, including \$219 billion in assets under management and \$310 billion in client assets under administration. For more information, visit www.seic.com.

Many of the statements in this release may be considered "forward looking statements" and include discussions about future operations, strategies and financial results. Forward-looking statements are based upon estimates and assumptions that involve risks and uncertainties, many of which are beyond our control or are subject to change. Although we believe our assumptions are reasonable, they could be inaccurate. Our actual future revenues and income could differ materially from our expected results. We have no obligation to publicly update or revise any forward-looking statements.

SEI INVESTMENTS COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

| | <i>For the Three Months Ended September 30,</i> | |
|---|---|-------------|
| | <i>2013</i> | <i>2012</i> |
| Asset management, admin. and distribution fees | \$ 208,780 | \$ 183,083 |
| Information processing and software servicing fees | 64,606 | 60,901 |
| Transaction-based and trade execution fees | 7,269 | 7,768 |
| Total revenues | 280,655 | 251,752 |
| Subadvisory, distribution and other asset mgmt costs | 31,209 | 26,022 |
| Software royalties and other information processing costs | 7,541 | 6,701 |
| Brokerage commissions | 5,519 | 5,542 |
| Compensation, benefits and other personnel | 89,311 | 85,781 |
| Stock-based compensation | 11,097 | 3,879 |
| Consulting, outsourcing and professional fees | 33,367 | 27,314 |
| Data processing and computer related | 12,654 | 11,749 |
| Facilities, supplies and other costs | 13,573 | 15,129 |
| Amortization | 8,829 | 10,384 |
| Depreciation | 5,616 | 5,761 |
| Total expenses | 218,716 | 198,262 |
| Income from operations | 61,939 | 53,490 |
| Net gain on investments | 535 | 3,708 |

| | | |
|--|------------------|------------------|
| Interest and dividend income | 679 | 1,490 |
| Interest expense | (195) | (115) |
| Equity in earnings of unconsolidated affiliates | <u>31,028</u> | <u>24,928</u> |
| Net income before income taxes | 93,986 | 83,501 |
| Income taxes | <u>26,791</u> | <u>32,415</u> |
| Net income | <u>67,195</u> | <u>51,086</u> |
| Less: Net income attributable to the noncontrolling interest | <u>--</u> | <u>(343)</u> |
| Net income attributable to SEI | <u>\$ 67,195</u> | <u>\$ 50,743</u> |
| Diluted earnings per common share | <u>\$ 0.38</u> | <u>\$ 0.29</u> |
| Shares used to calculate diluted earnings per share | <u>176,043</u> | <u>175,369</u> |
| Basic earnings per common share | <u>\$ 0.39</u> | <u>\$ 0.29</u> |
| Shares used to calculate basic earnings per share | <u>171,308</u> | <u>173,429</u> |

SEI INVESTMENTS COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

| | For the Nine Months Ended September 30, | |
|---|--|---------------|
| | 2013 | 2012 |
| Asset management, admin. and distribution fees | \$ 611,135 | \$ 532,650 |
| Information processing and software servicing fees | 191,606 | 174,355 |
| Transaction-based and trade execution fees | <u>24,367</u> | <u>23,882</u> |
| Total revenues | 827,108 | 730,887 |
| Subadvisory, distribution and other asset mgmt costs | 88,795 | 79,442 |
| Software royalties and other information processing costs | 22,912 | 19,337 |
| Brokerage commissions | 18,291 | 17,483 |
| Compensation, benefits and other personnel | 264,636 | 244,855 |
| Stock-based compensation | 26,997 | 11,777 |
| Consulting, outsourcing and professional fees | 98,667 | 80,598 |
| Data processing and computer related | 37,028 | 34,873 |
| Facilities, supplies and other costs | 47,280 | 44,909 |
| Amortization | 25,498 | 25,413 |
| Depreciation | <u>17,050</u> | <u>16,823</u> |
| Total expenses | 647,154 | 575,510 |
| Income from operations | 179,954 | 155,377 |
| Net gain on investments | 638 | 7,577 |

| | | |
|--|------------|------------|
| Interest and dividend income | 2,420 | 4,417 |
| Interest expense | (422) | (389) |
| Equity in earnings of unconsolidated affiliates | 86,204 | 74,970 |
| Gain on sale of subsidiary | 22,112 | -- |
| Other income | 43,429 | -- |
| Net income before income taxes | 334,335 | 241,952 |
| Income taxes | 111,376 | 90,892 |
| Net income | 222,959 | 151,060 |
| Less: Net income attributable to the noncontrolling interest | (350) | (797) |
| Net income attributable to SEI | \$ 222,609 | \$ 150,263 |
| Diluted earnings per common share | \$ 1.26 | \$ 0.85 |
| Shares used to calculate diluted earnings per share | 176,036 | 176,317 |
| Basic earnings per common share | \$ 1.29 | \$ 0.86 |
| Shares used to calculate basic earnings per share | 172,043 | 174,869 |

SEI INVESTMENTS COMPANY
CONDENSED BALANCE SHEETS
(In thousands)
(Unaudited)

| | September 30, 2013 | December 31, 2012 |
|---|-------------------------------|------------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 527,214 | \$ 452,247 |
| Restricted cash | 5,500 | 6,000 |
| Receivables, net | 225,961 | 202,818 |
| Securities owned | 20,728 | 20,088 |
| Other current assets | 20,629 | 20,251 |
| Total current assets | 800,032 | 701,404 |
| Property and equipment, net | 118,494 | 127,581 |
| Investments available for sale | 86,186 | 75,869 |
| Trading securities | 4,841 | 5,909 |
| Capitalized software, net | 313,206 | 307,490 |
| Investment in unconsolidated affiliates | 57,429 | 77,398 |
| Other assets, net | 11,511 | 14,173 |
| Total assets | \$ 1,391,699 | \$ 1,309,824 |
| Liabilities | | |
| Current liabilities | \$ 145,278 | \$ 152,005 |

| | | |
|--|---------------------|---------------------|
| Deferred income taxes | 71,151 | 93,458 |
| Other Long-term liabilities | 8,703 | 7,032 |
| Total SEI Investments Company shareholders' equity | 1,166,567 | 1,038,180 |
| Noncontrolling interest | -- | 19,149 |
| Total Equity | <u>1,166,567</u> | <u>1,057,329</u> |
| Total liabilities and equity | <u>\$ 1,391,699</u> | <u>\$ 1,309,824</u> |

SEI INVESTMENTS COMPANY
ENDING ASSET BALANCES
(In millions)
(Unaudited)

| | Sept. 30, 2012 | Dec. 31, 2012 | Mar. 31, 2013 | Jun. 30, 2013 | Sept. 30, 2013 |
|------------------------------------|-------------------|------------------|------------------|------------------|-------------------|
| Private Banks: | | | | | |
| Equity/Fixed Income programs | \$ 17,960 | \$ 18,862 | \$ 12,446 | \$ 12,876 | \$ 14,305 |
| Collective Trust Fund programs | 147 | 11 | 9 | 10 | 11 |
| Liquidity funds | <u>5,342</u> | <u>6,008</u> | <u>5,143</u> | <u>5,048</u> | <u>5,167</u> |
| Total assets under management | \$ 23,449 | \$ 24,881 | \$ 17,598 | \$ 17,934 | \$ 19,483 |
| Client assets under administration | <u>11,611</u> | <u>12,178</u> | <u>12,970</u> | <u>13,122</u> | <u>14,101</u> |
| Total assets | \$ 35,060 | \$ 37,059 | \$ 30,568 | \$ 31,056 | \$ 33,584 |
| Investment Advisors: | | | | | |
| Equity/Fixed Income programs | \$ 30,864 | \$ 31,220 | \$ 34,166 | \$ 34,447 | \$ 36,203 |
| Collective Trust Fund programs | 370 | 14 | 15 | 14 | 14 |
| Liquidity funds | <u>1,868</u> | <u>2,514</u> | <u>2,094</u> | <u>2,145</u> | <u>2,779</u> |
| Total assets under management | \$ 33,102 | \$ 33,748 | \$ 36,275 | \$ 36,606 | \$ 38,996 |
| Institutional Investors: | | | | | |
| Equity/Fixed Income programs | \$ 59,852 | \$ 62,160 | \$ 64,214 | \$ 61,927 | \$ 64,429 |
| Collective Trust Fund programs | 153 | 102 | 101 | 106 | 107 |
| Liquidity funds | <u>3,272</u> | <u>2,454</u> | <u>2,810</u> | <u>2,901</u> | <u>3,125</u> |
| Total assets under management | \$ 63,277 | \$ 64,716 | \$ 67,125 | \$ 64,934 | \$ 67,661 |
| Investment Managers: | | | | | |
| Equity/Fixed Income programs | \$ 65 | \$ 67 | \$ 73 | \$ 75 | \$ 75 |

| | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Collective Trust Fund programs | 15,433 | 16,197 | 17,656 | 18,197 | 19,868 |
| Liquidity funds | <u>396</u> | <u>408</u> | <u>522</u> | <u>542</u> | <u>678</u> |
| Total assets under management | \$ 15,894 | \$ 16,672 | \$ 18,251 | \$ 18,814 | \$ 20,621 |
| Client assets under administration (A) | <u>240,965</u> | <u>244,671</u> | <u>275,632</u> | <u>289,807</u> | <u>295,959</u> |
| Total assets | \$ 256,859 | \$ 261,343 | \$ 293,883 | \$ 308,621 | \$ 316,580 |
| Investments in New Businesses: | | | | | |
| Equity/Fixed Income programs | \$ 534 | \$ 513 | \$ 552 | \$ 572 | \$ 594 |
| Liquidity funds | <u>29</u> | <u>43</u> | <u>42</u> | <u>29</u> | <u>26</u> |
| Total assets under management | \$ 563 | \$ 556 | \$ 594 | \$ 601 | \$ 620 |
| LSV Asset Management: | | | | | |
| Equity/Fixed Income programs | \$ 58,886 | \$ 60,947 | \$ 64,958 | \$ 65,417 | \$ 71,149 |
| Total: | | | | | |
| Equity/Fixed Income programs (B) (D) | \$ 168,161 | \$ 173,769 | \$ 176,409 | \$ 175,314 | \$ 186,755 |
| Collective Trust Fund programs | 16,103 | 16,324 | 17,781 | 18,327 | 20,000 |
| Liquidity funds | <u>10,907</u> | <u>11,427</u> | <u>10,611</u> | <u>10,665</u> | <u>11,775</u> |
| Total assets under management | \$ 195,171 | \$ 201,520 | \$ 204,801 | \$ 204,306 | \$ 218,530 |
| Client assets under administration (C) | <u>252,576</u> | <u>256,849</u> | <u>288,602</u> | <u>302,929</u> | <u>310,060</u> |
| Total assets | \$ 447,747 | \$ 458,369 | \$ 493,403 | \$ 507,235 | \$ 528,590 |

- (A) Client assets under administration in the Investment Managers segment include \$56.2 billion of assets balances that require limited services and therefore are at fee levels below our normal full service assets (as of Sept. 30, 2013).
- (B) Equity/Fixed Income programs include \$3.9 billion of assets invested in various asset allocation funds at Sept. 30, 2013.
- (C) In addition to the numbers presented, SEI also administers an additional \$5.6 billion in Funds of Funds assets (as of Sept. 30, 2013) on which SEI does not earn an administration fee.
- (D) Equity/Fixed Income programs in the Private Banks segment for 2012 included assets related to SEI Asset Korea, which was sold in first-quarter 2013. Assets for SEI Asset Korea at Sept. 30, 2012 and Dec. 31, 2012 were \$6.6 billion and \$7.0 billion, respectively.

SEI INVESTMENTS COMPANY
AVERAGE ASSET BALANCES
(In millions)

(Unaudited)

| | 3rd Qtr. 2012 | 4th Qtr. 2012 | 1st Qtr. 2013 | 2nd Qtr. 2013 | 3rd Qtr. 2013 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Private Banks: | | | | | |
| Equity/Fixed Income programs | \$ 17,527 | \$ 18,301 | \$ 19,197 | \$ 12,959 | \$ 13,696 |
| Collective Trust Fund programs | 230 | 66 | 11 | 10 | 11 |
| Liquidity funds | 5,401 | 5,229 | 5,556 | 5,093 | 5,142 |
| Total assets under management | \$ 23,158 | \$ 23,596 | \$ 24,764 | \$ 18,062 | \$ 18,849 |
| Client assets under administration | 10,867 | 11,783 | 12,860 | 13,183 | 13,760 |
| Total assets | \$ 34,025 | \$ 35,379 | \$ 37,624 | \$ 31,245 | \$ 32,609 |
| Investment Advisors: | | | | | |
| Equity/Fixed Income programs | \$ 30,032 | \$ 30,881 | \$ 33,189 | \$ 34,831 | \$ 35,618 |
| Collective Trust Fund programs | 532 | 158 | 14 | 14 | 14 |
| Liquidity funds | 1,886 | 2,176 | 2,085 | 2,028 | 2,520 |
| Total assets under management | \$ 32,450 | \$ 33,215 | \$ 35,288 | \$ 36,873 | \$ 38,152 |
| Institutional Investors: | | | | | |
| Equity/Fixed Income programs | \$ 57,763 | \$ 61,304 | \$ 63,642 | \$ 63,466 | \$ 63,153 |
| Collective Trust Fund programs | 284 | 120 | 101 | 105 | 107 |
| Liquidity funds | 3,253 | 3,493 | 2,960 | 2,975 | 3,091 |
| Total assets under management | \$ 61,300 | \$ 64,917 | \$ 66,703 | \$ 66,546 | \$ 66,351 |
| Investment Managers: | | | | | |
| Equity/Fixed Income programs | \$ 62 | \$ 68 | \$ 68 | \$ 75 | \$ 76 |
| Collective Trust Fund programs | 14,797 | 15,719 | 17,129 | 18,205 | 19,259 |
| Liquidity funds | 287 | 395 | 511 | 500 | 613 |
| Total assets under management | \$ 15,146 | \$ 16,182 | \$ 17,708 | \$ 18,780 | \$ 19,948 |
| Client assets under administration | 237,155 | 240,520 | 263,054 | 286,018 | 292,627 |
| Total assets | \$ 252,301 | \$ 256,702 | \$ 280,762 | \$ 304,798 | \$ 312,575 |
| Investments in New Businesses: | | | | | |

| | | | | | |
|-------------------------------|--------|--------|--------|--------|--------|
| Equity/Fixed Income programs | \$ 530 | \$ 518 | \$ 542 | \$ 567 | \$ 584 |
| Liquidity funds | 35 | 33 | 38 | 34 | 27 |
| Total assets under management | \$ 565 | \$ 551 | \$ 580 | \$ 601 | \$ 611 |

LSV Asset Management:

| | | | | | |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Equity/Fixed Income programs | \$ 57,164 | \$ 59,383 | \$ 63,997 | \$ 66,781 | \$ 69,463 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|

Total:

| | | | | | |
|------------------------------------|------------|------------|------------|------------|------------|
| Equity/Fixed Income programs (A) | \$ 163,078 | \$ 170,455 | \$ 180,635 | \$ 178,679 | \$ 182,590 |
| Collective Trust Fund programs | 15,843 | 16,063 | 17,255 | 18,334 | 19,391 |
| Liquidity funds | 10,862 | 11,326 | 11,150 | 10,630 | 11,393 |
| Total assets under management | \$ 189,783 | \$ 197,844 | \$ 209,040 | \$ 207,643 | \$ 213,374 |
| Client assets under administration | 248,022 | 252,303 | 275,914 | 299,201 | 306,387 |
| Total assets | \$ 437,805 | \$ 450,147 | \$ 484,954 | \$ 506,844 | \$ 519,761 |

- (A) Equity/Fixed Income programs in the Private Banks segment for 2012 and first-quarter 2013 included average assets related to SEI Asset Korea, which was sold in first-quarter 2013. Average assets for SEI Asset Korea for the third and fourth quarters of 2012 were \$6.5 billion and \$6.8 billion, respectively, and \$7.0 billion for the first-quarter 2013.

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