

December 12, 2013



SEI Poll: Pension Plan Sponsors Remain Dedicated to Liability Driven Investing (LDI) in 2013

Seventh Annual Global Survey Finds More Than Half of Pensions Currently Using LDI

OAKS, PA -- (Marketwired) -- 12/12/13 -- An annual survey released by SEI (NASDAQ: SEIC) today found that pension plan sponsors worldwide have continued to utilize [liability driven investing \(LDI\)](#) strategies, despite outperformance by global and domestic equity markets and a continued low interest rate environment in 2013. Now in its seventh year, the poll found that more than half (57 percent) of participating plan sponsors currently use an LDI strategy, allocating an average of 49 percent of the pension portfolio to an array of LDI products. Another 20 percent of plan sponsors said they plan to implement LDI within the next few years.

In addition, more than two-thirds (69 percent) of global pension plan sponsors currently use or are planning to implement a glidepath strategy. Of the 41 percent currently using a glidepath, nearly three-quarters (74 percent) rely on funded status triggers to de-risk the portfolio; only eight percent use triggers determined by their current market outlook.

"While the survey didn't see an increase in LDI in 2013, the consistent use of such strategies by plan sponsors proves that LDI has a place in the pension portfolio through changing market environments," said [Jonathan Waite](#), Director, Investment Management Advice, and Chief Actuary of SEI's [Institutional Group](#). "It's critical that plan sponsors continue to assess current market conditions as part of an active asset allocation approach when managing their portfolio and glidepath strategies."

LDI continues to be popular in the U.S., with 71 percent of those survey participants currently implementing an LDI strategy, compared to 67 percent in 2012. Even with the unfounded fears of tapering in the marketplace this spring, 43 percent of U.S. plan sponsors decreased their allocations to equities and 35 percent increased their fixed income allocations. As a result, the total average allocation to fixed income in U.S. pension portfolios reached 44 percent.

In addition to LDI and glidepath strategies, U.S. plan sponsors are considering other options to decrease pension liabilities. More than two-thirds (67 percent) have closed their plans to

new entrants and 59 percent have implemented or are planning to offer lump sum payments. Despite reports of improved average funded status in 2013, none of the participating companies purchased an annuity transaction this year; though 13 percent said they might consider a pension buy-out in the future.

The global poll was conducted by SEI's Pension Management Research Panel and included 130 corporate pension executives from the United States, Canada, and United Kingdom. None of the participating organizations are institutional clients of SEI.

For the complete poll summary with U.S. highlights, please visit: www.seic.com/LDIpoll7.

About SEI's Institutional Group

SEI's Institutional Group is one of the first and largest global providers of outsourced fiduciary management investment services. The company began offering these services in 1992 and today acts as a fiduciary manager to more than 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 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.

Company Contact:

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

Source: SEI