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SEI Poll: Nonprofits Focus On Risk Management In 2014

Survey Finds That Positive Risk-Adjusted Returns Are More Important Than Overall Returns forNearly Half of Respondents

OAKS, Pa., July 24, 2014 /PRNewswire/ -- SEI (NASDAQ: SEIC) today released the results of a survey on investment challenges and practices, completed by 150 U.S. nonprofit foundations and endowments. The survey found that more nonprofits are prioritizing the implementation of effective risk management strategies to preserve the longevity of their organizations and missions. Nearly half (46 percent) of respondents said they place greater value on positive risk-adjusted returns than on overall portfolio returns when evaluating investment success.

Despite emphasis on risk management, 44 percent of participants are not confident that sufficient time is being spent assessing the impact of potential market shocks (e.g. a 20 percent market decline) on the ability to spend/achieve mission. In addition, nearly half (49 percent) lack confidence that the investment committee has identified all key portfolio risks.

"Nonprofits today face an increasingly challenging investment landscape. Many are taking steps to improve their risk-return balance through risk analysis and portfolio diversification," said Mary Jane Bobyock, Director of Nonprofit Advisory Team, SEI's Institutional Group. "An increased level of due diligence and risk assessment is needed in managing these more complex investments. Our survey found that 48 percent of nonprofits are currently using or considering the use of an outsourcing provider to help manage the portfolio. The top two reasons given for using an outsourced approach are the ability to 'more promptly take advantage of market changes' and 'improve overall risk management.'"

The survey also found that many nonprofits are looking to utilize the investment committee in a more strategic manner. Areas of focus include:

- Better aligning the portfolio with organizational spending needs (40 percent)
- Better leveraging the committee in the organization's financial planning (21 percent)
- Building donor confidence in investment strategies (23 percent)

Adding to the need for increased fiduciary oversight is the continued use of alternative investments by nonprofits. More than half (58 percent) reported having 11 percent or greater of the portfolio allocated to alternatives. Less than one-quarter (24 percent) had 10 percent or less, and 18 percent had none.

For the full poll summary, please visit: http://www.seic.com/enUS/about/14199.htm?cmpid=INSTUSFNPPollQ314-6.

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, investment management, and investment operations solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of June 30, 2014, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $602 billion in mutual fund and pooled or separately managed assets, including $249 billion in assets under management and $353 billion in client assets under administration. For more information, visit www.seic.com.

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