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Compliance and Fee Compression are Top Concerns for Financial Advisors Ahead of DOL Fiduciary Rule Enactment, According to SEI

OAKS, Pa., Dec. 05, 2016 (GLOBE NEWSWIRE) -- A survey of 275 financial advisors released today by SEI (NASDAQ:SEIC) Advisor Network reveals that in the wake of the impending DOL Fiduciary Rule, compliance issues followed by fee compression and an increased investment in technology are the top issues for financial advisors going into 2017. The survey, conducted at SEI Strategic Advisor Council Conferences held this fall, provides a first-hand look at advisors' concerns and where they are planning to increase investments in their business next year. When asked what advisors are most concerned about going into 2017, the majority is equally (24 percent) concerned about two direct implications of the DOL Fiduciary Rule – fees and compliance, while their other concern is growing revenues.

"We believe advisors need to continue to prepare for the DOL rule despite current speculation that it will not come to fruition because of the incoming administration," said Wayne Withrow, Executive Vice President of SEI and Head of the SEI Advisor Network. "These survey results demonstrate that the rule is impacting advisors' considerations in several aspects of their business when looking at 2017, which is one reason we are seeing advisors re-evaluate their infrastructure, increase attention to client-facing activities and focus on the outsourcing of non-client facing activities."

Financial advisors recognize the need for implementing new systems and technology in order to be more compliant. More than half (55 percent) of advisors plan to increase technology investment spending in 2017, according to the survey. Outsourcing non-client facing activities is another key focus for advisors next year. Specifically, most respondents (30 percent) said legal and compliance is an additional area that they are considering to outsource.

When asked what keeps them up at night, 24 percent of advisors responded that regulations, like the DOL Fiduciary Rule, are their greatest concern. Furthermore, the survey found that only 11 percent of advisors feel ready for the implementation of the DOL Fiduciary Rule in April, while 41 percent feel that they are almost ready.

“Even with the level of unpreparedness felt by financial advisors, the survey results imply that they are considering the necessary steps to plan, execute and comply by converting to a fee-based model to get in front of the rule with clients top of mind,” said Withrow.

Methodology

The financial advisor survey was conducted in October and November, 2016, generating responses from 275 advisors working with SEI and attending SEI’s regional Strategic Advisor Conferences.

About The SEI Advisor Network

The SEI Advisor Network provides financial advisors with turnkey wealth management services through outsourced investment strategies, administration and technology platforms, and practice management programs. It is through these services that SEI helps advisors save time, grow revenues, and differentiate themselves in the market. With a history of financial strength, stability, and transparency, the SEI Advisor Network has been serving the independent financial advisor market for more than 20 years, has over 7,000 advisors who work with SEI, and \$55 billion in advisors’ assets under management (as of September 30, 2016). The SEI Advisor Network is a strategic business unit of SEI. For more information, visit seic.com/advisors.

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 September 30, 2016, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$751 billion in mutual fund and pooled or separately managed assets, including \$281 billion in assets under management and \$470 billion in client assets under administration. For more information, visit seic.com.

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