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SEI Quick Poll: Pension Sponsors Say Controlling Volatility, Improving Funded Status Top Priorities

Other Focus Areas Include Stress Testing Portfolio, Evaluating Investment Approach and Defining Fiduciary Roles

OAKS, Pa., Feb. 11 /PRNewswire-FirstCall/ -- An SEI (Nasdaq: SEIC) Quick Poll released today shows that pension plan sponsors say their number one priority for 2010 is finding a way to control funded status volatility. Nearly all (91 percent) of poll respondents identified controlling volatility as a priority. One-third (33 percent) of all respondents said this was an "extremely high" priority, by far the highest percentage to do so for any priority in the poll.

"As pension plans continue to negatively impact organizational finances, all of these strategies should be priorities this year, but successfully executing them will be a significant challenge," said Jon Waite, Director, Investment Management Advice and the Chief Actuary for SEI's Institutional Group. "Now more than ever, the plan sponsors that can best leverage external expertise will stand to benefit the most in addressing these challenges."

While controlling the volatility of funded status is the highest priority, improving the plan's funding level follows close behind. A significant majority (90 percent) of respondents identified developing a strategy for improving the funded status as a priority in 2010, with more than two thirds (71 percent) saying it was at least a "high" priority.

Additional priorities cited in the poll include:

-- Providing senior management or their Board with a long-term pension strategy;
-- Gaining the ability to most effectively manage duration (the measure of price sensitivity for a change in yield for both assets and liabilities);
-- Conducting an asset-liability study;
-- Implementing a Liability Driven Investing (LDI) approach using long-duration bonds;
-- Stress testing the portfolio to gauge its ability to withstand extreme macro economic environments;
-- Evaluating a different approach for investment management;
-- Changing funding policies and timelines;
-- Defining fiduciary responsibilities for trustees and investment

consultant.

The quick poll is the latest research from SEI's Pension Management Research Panel. The poll was completed by 54 executives overseeing pensions ranging from US $250 million to US $10 billion in assets. None of the poll respondents were from institutional clients of SEI. The poll asked respondents to identify priorities for the year and then to rank them as a "marginal," "high" or "extremely high" priorities.

Complete summaries of the poll are available by emailing seiresearch@seic.com.

About SEI's Institutional Group

SEI's Institutional Group delivers integrated healthcare, retirement 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

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