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SEI Unveils New Direct Index and Factor Investment Strategies

SEI-Managed Investment Options Bolster Choice, Control, and Customization in SMA and UMA Solutions Through Managed Accounts Program

OAKS, Pa., Aug. 6, 2024 /PRNewswire/ -- [SEI](#)[®] (NASDAQ: SEIC) today announced a range of additional investment strategies to its Separately Managed Account (SMA) and Unified Managed Account (UMA) solutions offered through the Managed Account Solutions program.¹ The additional strategies were developed in response to feedback from some of the company's largest strategic clients and include the launch of fixed income-based direct indexing investment strategies that enhance SEI's existing lineup of individual bond strategies, as well as dividend-focused equity options delivered through SEI's SMA capabilities in direct indexing and factor investing.

Jim Smigiel, Chief Investment Officer and Head of SEI's Investment Management Unit, said:

"We remain steadfast in delivering solutions rooted in advice, customization, and stability for our clients. Our internal capabilities provide access to the entirety of the capital markets through SEI's direct indexing solutions, factor strategies, and individual bond portfolio management. Our solutions give advisors choice in their client recommendations, empowered by SEI's conviction. SMAs and UMAs provide flexibility and tax-optimization, and as adoption increases, we continue to deliver optionality."

UMAs have exhibited strong growth rates over the last half-decade, with assets climbing at an annual rate of 34%, and strong growth for UMA programs is expected over the next four years.² SEI's SMAs, complemented with a differentiated UMA structure, provide for greater control and personalization. Designed to help advisors better serve mass-affluent, high-net-worth, and ultra-high-net-worth investors, the new strategies include:

- **Systematic U.S. Aggregate Bond Core strategy** - Provides exposure to the U.S. aggregate fixed-income market, while seeking to provide an overall risk-factor exposure that is similar to that of the benchmark index.
- **Systematic Municipal Bond Core strategy** - Provides exposure to the intermediate municipal bond market, while seeking to provide an overall risk-factor exposure that is similar to that of the benchmark index.

- **Systematic U.S. Dividend Yield Core strategy** - Seeks to provide a return similar to that of a dividend yield-focused index and consists of U.S. stocks included within the index that are screened for consistent records of high dividend payments and the ability to sustain them in the future.
- **U.S. Dividend Yield (Multi-Factor SMA) strategy** - Deploys a quantitative-based, active investment process—delivered through an enhanced dividend yield factor—that seeks to deliver income without sacrificing long-term capital appreciation through the purchase of high dividend-paying U.S. large-capitalization stocks.

Advisors are increasingly integrating direct indexing and factor investing solutions within custom SMAs to provide greater personalization and tax control to clients. SMAs offer individualized strategies run by distinct professional managers, while UMAs provide a comprehensive investment solution that combines multiple strategies or investment vehicles within a single account structure. UMAs also deliver sophisticated tax optimization that seeks to significantly enhance after-tax returns, and not only improve client outcomes, but also reinforce an advisor's value proposition.

Erich Holland, Executive Managing Director of Client Experience for SEI's Advisor business, added:

"Our clients are at the heart of everything we do. We've listened carefully to their feedback and developed these investment strategies to provide all of our clients with greater control, transparency, and tax-efficiency. This launch represents a significant milestone in our ongoing mission to innovate and enhance our product offerings based on what matters most to our clients.

"Our goal is to continue to offer better tax-efficient and cost-effective personalization at scale, so advisors can unlock new opportunities for growth, navigate complexity with confidence, and better align their strategies with the new wealth portfolio—driven by each client's individual needs and objectives."

¹ SEI's implementation vehicles include mutual funds, ETFs, and SMAs offered through SEI Mutual Fund Strategies and Managed Account Solutions.

² The Cerulli Report, U.S. Managed Account Report, 2023.

About SEI®

SEI (NASDAQ:SEIC) delivers technology and investment solutions that connect the financial services industry. With capabilities across investment processing, operations, and asset management, SEI works with corporations, financial institutions and professionals, and ultra-high-net-worth families to solve problems, manage change, and help protect assets—for growth today and in the future. As of June 30, 2024, SEI manages, advises, or administers approximately \$1.5 trillion in assets. For more information, please visit seic.com.

IMPORTANT INFORMATION:

Information in the U.S. provided by SEI Investments Management Corporation (SIMC), a federally registered investment advisor and wholly owned subsidiary of SEI Investments Company (SEI).

Investing involves risk including the potential loss of principal. There is no guarantee the strategies will achieve their objectives.

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