

## NEWS FROM SEI

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**FOR IMMEDIATE RELEASE**

### **SEI GLOBAL POLL: 3<sup>RD</sup> ANNUAL LIABILITY DRIVEN INVESTING POLL FINDS A SIGNIFICANT INCREASE IN ADOPTION**

*More Than Half of Plan Sponsors in Poll Currently Implementing LDI Strategy*

**OAKS, Pa., November 18, 2009** – An SEI (NASDAQ: SEIC) Global Quick Poll released today shows that the number of pension plans adopting liability driven investing strategies (LDI) has nearly tripled over the past three years. The poll shows that more than half (54 percent) of all polled plan sponsors use LDI, compared to only 20 percent in 2007. The third annual LDI poll was completed by 150 executives overseeing pensions ranging from US \$30 million to more than US \$5 billion in assets. None of the poll participants were current institutional clients of SEI. The poll also highlighted trends around increasing agreement of the objectives of LDI as well as the benchmark for pension success shifting away from “absolute return.”

“Never before have financial executives overseeing pensions been as challenged as they are right now. The ability to build strong strategies focused on the liabilities in the plan is critical and many pension executives are looking for guidance and expertise in accomplishing this,” said Jon Waite, Director, Investment Management Advice and Chief Actuary of SEI’s Institutional Group. “The poll results highlight an increased trend towards liability driven strategies as they are a critical component of the short- and long-term approach for successful plan management.”

The global poll, conducted by SEI’s Pension Management Research Panel, included pension executives from Canada, Netherlands, United Kingdom and United States. Globally, 90 percent of respondents said “controlling year-to-year volatility of funded status” is the primary objective of LDI. Additionally, nearly three-quarters (70 percent) agreed that the recent market volatility has increased the value of LDI. However, there is less agreement on defining LDI. Less than half (40 percent) define LDI as, “Matching duration of assets to duration of liabilities” while nearly one-third (32 percent) said, “A portfolio designed to be risk managed with respect to liabilities.”

Globally, during the past three years, there has been a significant shift in benchmarking the success of pension investments. In 2007, “absolute return” was the highest ranked benchmark at 28 percent of poll participants and in 2008 that number dropped to 20 percent. This year, only 15 percent of the poll participants identified “absolute return of the portfolio” as the primary success metric, marking the second straight year this has decreased. On the opposite end of this trend is how plan sponsors view “improving funded status” as a primary benchmark for pension investments. In 2007, 28 percent of respondents said that was a primary benchmark, but this year 42 percent said that was the case.

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Nearly all (98 percent) of the poll participants said they are using long duration bonds as part of their LDI strategy. However, beyond that, there remains little consensus. The second most common product is interest rate derivatives, though less than half (40 percent) chose this tactic. Additional tactics include: short duration cash management (26 percent); high yield bonds (24 percent); and, private equity, portable alpha, hedge funds and emerging market debt (each at 14 percent).

A complete summary of the poll is available by emailing [seiresearch@seic.com](mailto: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](http://www.seic.com/institutions).

#### **About SEI**

SEI (NASDAQ:SEIC) is a leading global provider of outsourced asset management, investment processing and investment operations solutions. The company's innovative solutions help corporations, financial institutions, financial advisors, and affluent families create and manage wealth. As of September 30, 2009, through its subsidiaries and partnerships in which the company has a significant interest, SEI administers \$383 billion in mutual fund and pooled assets and manages \$156 billion in assets. SEI serves clients, conducts or is registered to conduct business and/or operations, from numerous offices worldwide. For more information, visit [www.seic.com](http://www.seic.com).

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