



ONE SEI

# 2019 Investor Conference

November 12–13, 2019

SEI New ways.  
New answers.®



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New answers.®

**Welcome**

**Dennis McGonigle**

THEME

**ONE SEI** is a...

Mindset

Business strategy

**It is not a platform.**

# AGENDA

## Strategy

Al West, Chairman & CEO

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### UNLOCKING THE POWER OF SEI: KEY THEMES AND PLATFORM UPDATES

#### **One SEI Business Technology Strategy**

Jim Warren and Rob Wrzesniewski

#### **New Platform: Global Regulatory Compliance (GRC)**

Phil Masterson

#### **New Platform: SEI IT Services**

Ryan Hicke

#### **Advice and Customization**

Kevin Barr

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# AGENDA

CONTINUED

GROWTH STRATEGY AND FOCUS: SEGMENT UPDATES

## **Private Banks, Investment Managers**

Steve Meyer

## **Investment Advisors**

Wayne Withrow

## **Institutional Investors**

Paul Klauder

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## **Panel Discussion**

Dennis McGonigle

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## **Luncheon and Optional Tours**

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A photograph of a modern glass building facade. The image shows multiple levels of the building with glass railings and large windows. Inside the windows, two people are seen talking, and a display case filled with small white objects is visible. The image is partially covered by blue geometric shapes in the top left and top right corners.

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# Strategy

## AI West

## Who We Are (reminder)

- › We are a technology company with a wealth management competency
- › We are an outsourcer
- › We are an innovator
- › We apply a proven business model

## Strategy

- › Execute existing strategy
- › Turn headwinds into tailwinds
- › Leverage our assets
- › Transform with One SEI strategy

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# Who We Are (reminder)

## WHO WE ARE

**We are a technology firm with a core competency in wealth management**

Scratch us – we bleed technology and its application.

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Everything we do involves technology.

WHO WE ARE

## We are an outsourcer

Since 1971

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We'll do the heavy-lifting for our clients.

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Allows them to focus on mission-critical issues

## WHO WE ARE

**We are an innovator:** We invest heavily in innovation to grow our businesses

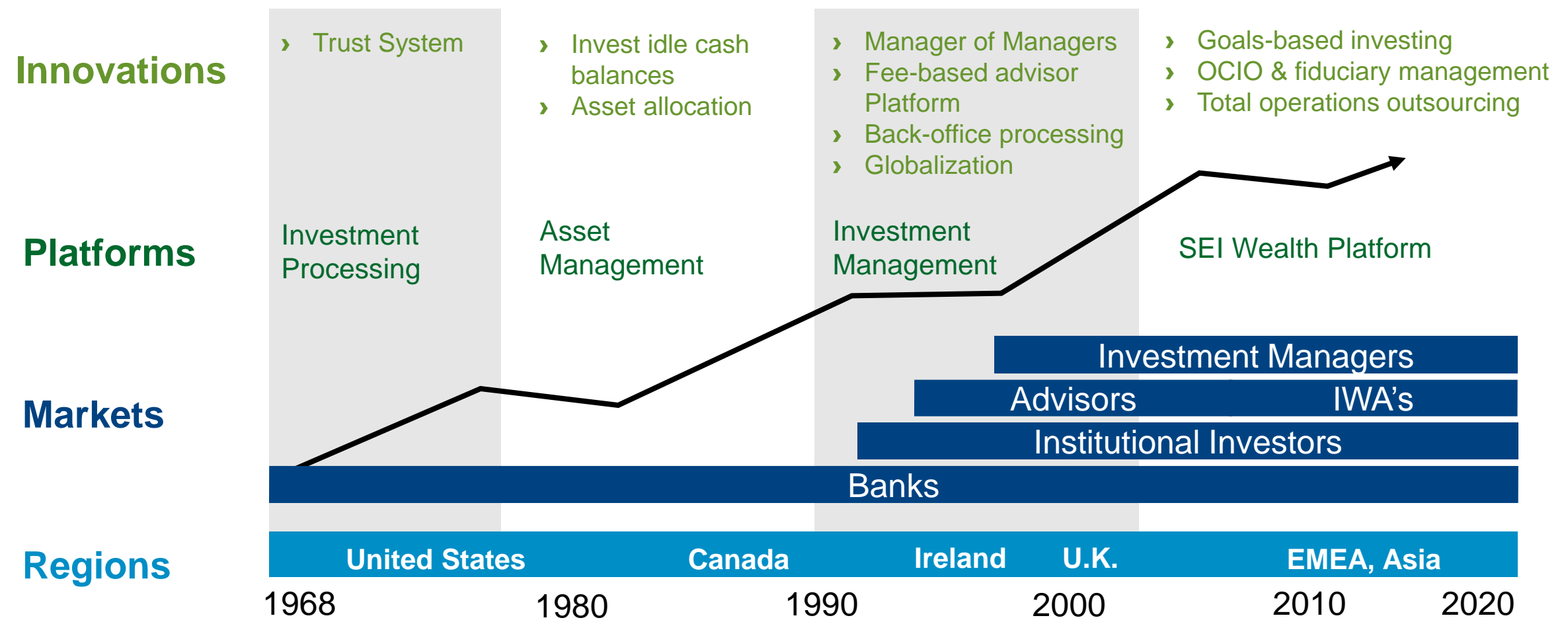
We invest 10% of our revenues in R&D.

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We did not pull back our rate of investment in the 2007–2009 period.

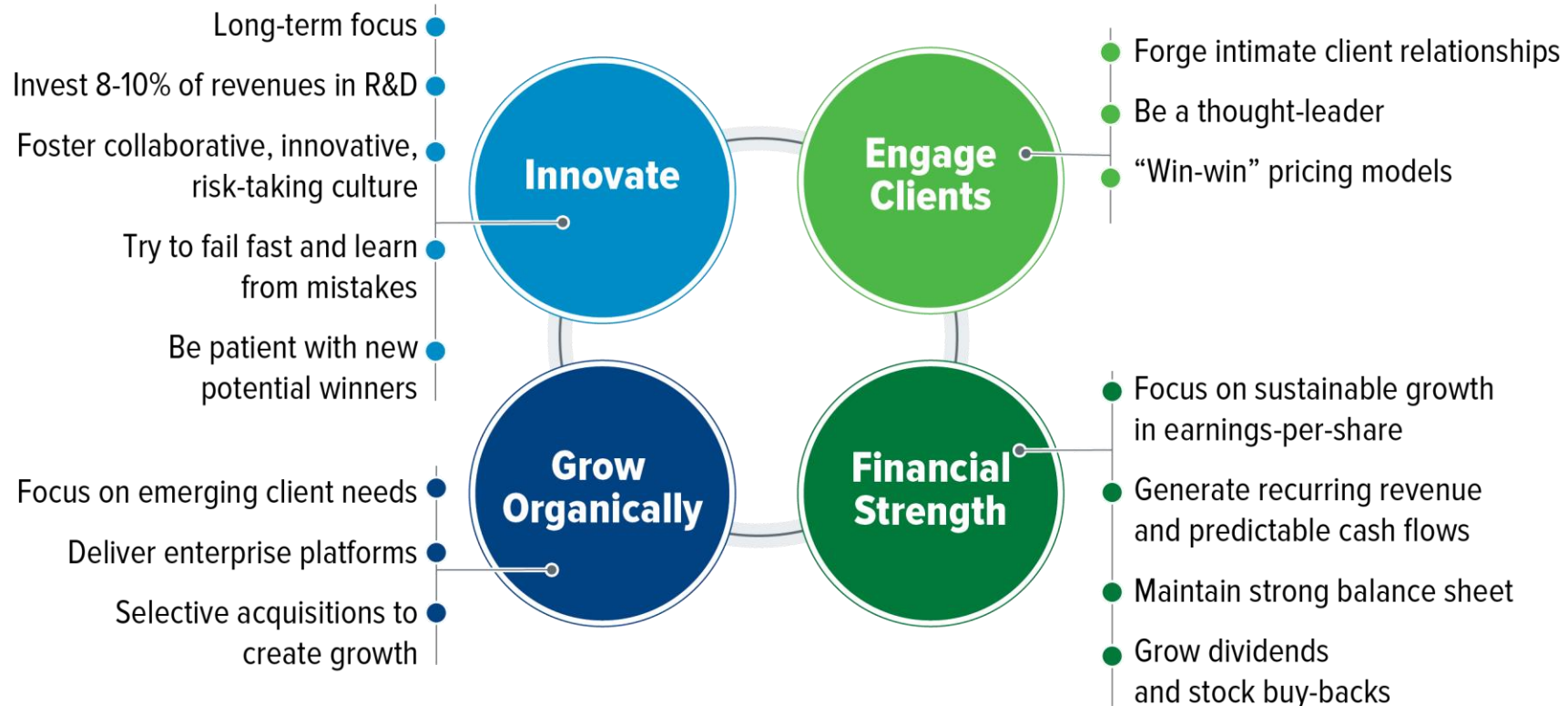
WHO WE ARE

We are an innovator: We have a history of innovation and disruption



## WE APPLY A PROVEN BUSINESS MODEL

# We have a proven business model



## WE APPLY A PROVEN BUSINESS MODEL

# Recurring revenue, strong cash flow and long-term relationships with clients and employees\*

97% of revenues are recurring.

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Free cash flow of \$476 million or \$3.52 per share in 2018

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Some clients have been with us over 40 years;  
415 employees have been with us for 20 years or more.

\*Past performance is not indicative of future results.

WE APPLY A PROVEN BUSINESS MODEL

# We are uniquely positioned in the financial services ecosystem

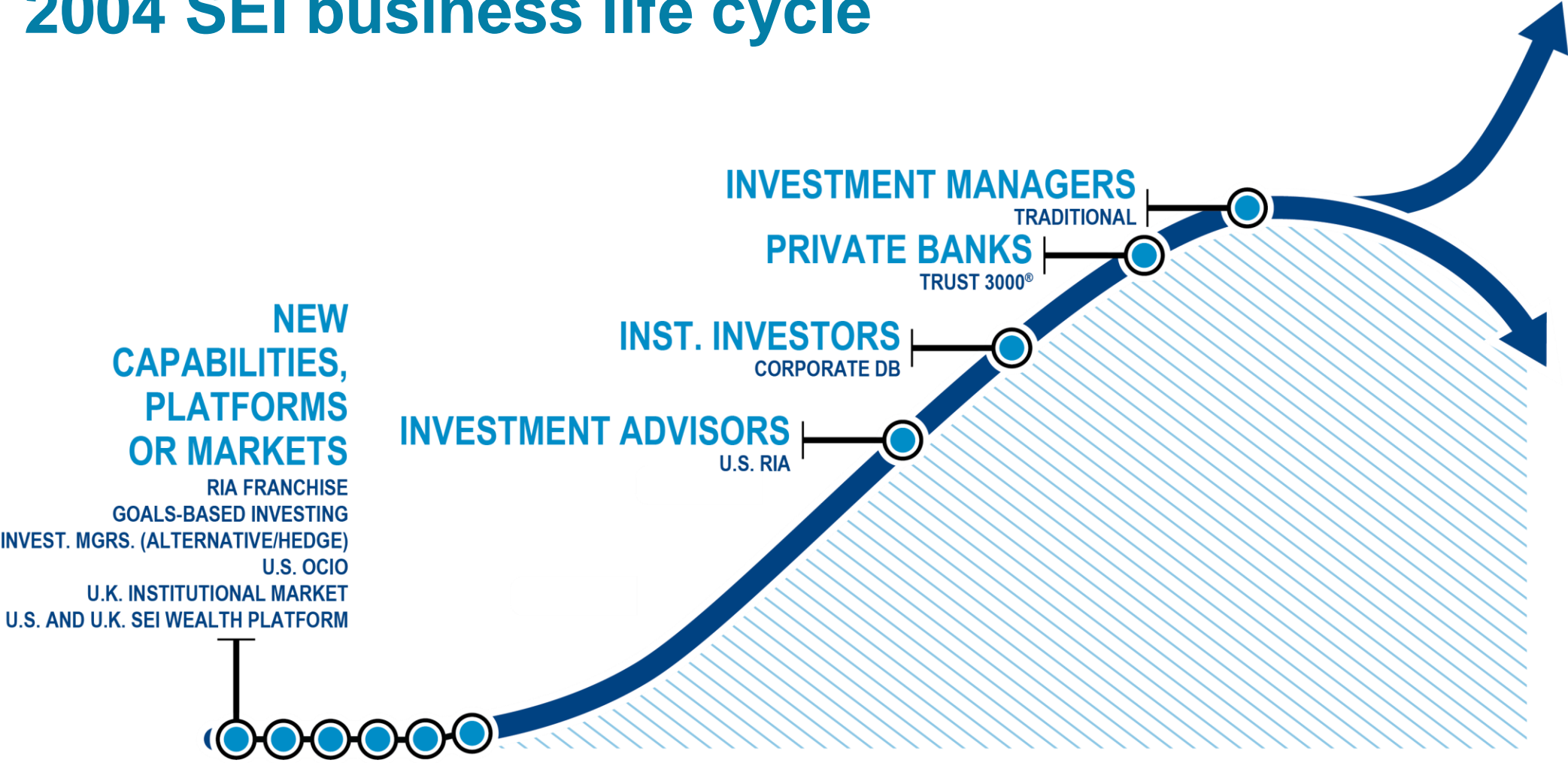
Creates unique possibilities  
for innovation and learning

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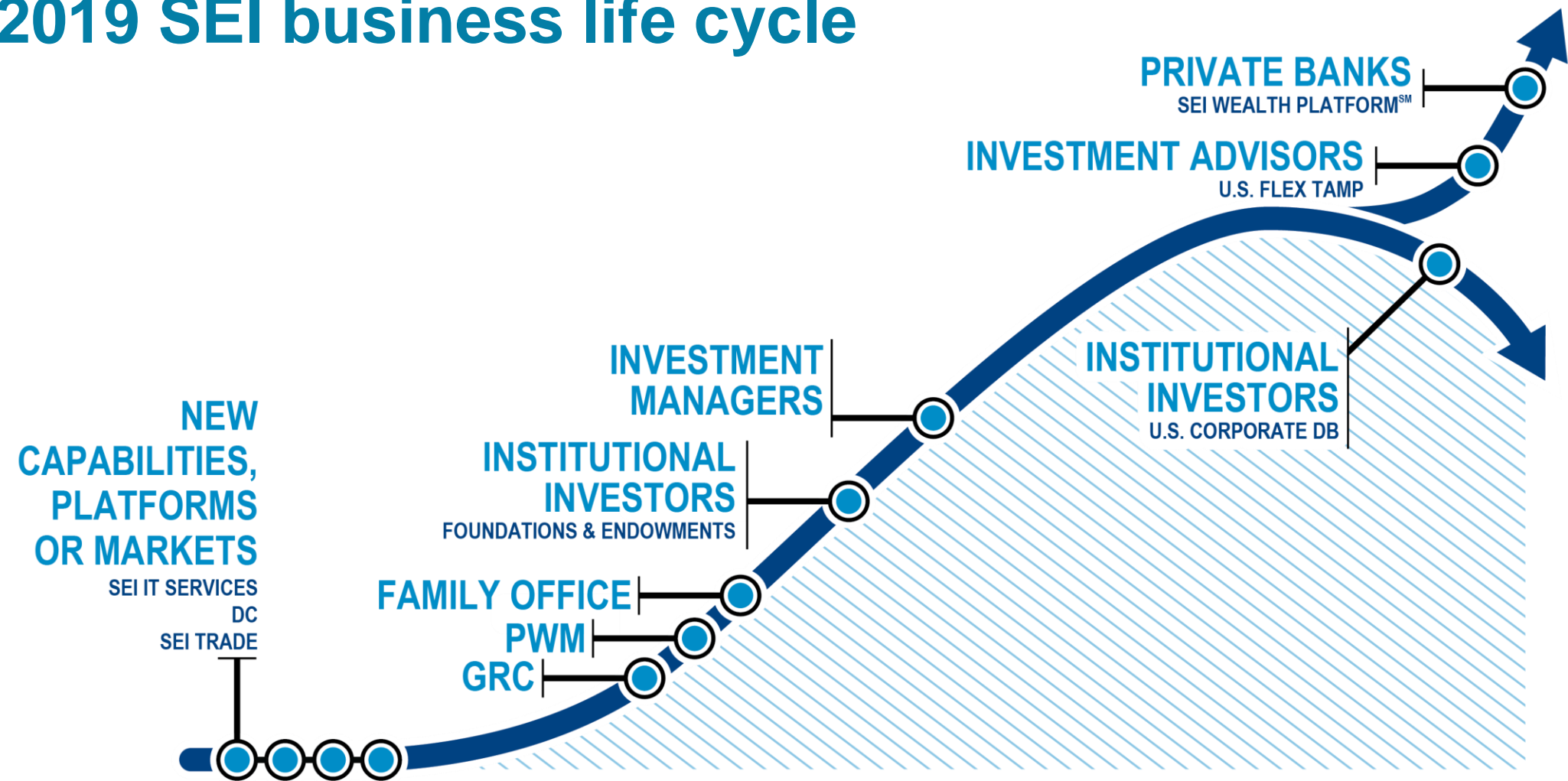
WE APPLY A PROVEN BUSINESS MODEL

# 2004 SEI business life cycle



WE APPLY A PROVEN BUSINESS MODEL

# 2019 SEI business life cycle



WE APPLY A PROVEN BUSINESS MODEL

**We have a dynamic culture that is the foundation of our mission to help clients succeed**

Culture drives innovation.

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Space demonstrates our culture.

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Successfully attracts and retains talent

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**Strategy**

OUR STRATEGY

Continue executing  
our strategy

		EXISTING PLATFORMS				NEW PLATFORMS				
NEW MARKETS	Independent RIAs	SEI Wealth Platform <sup>SM</sup>	Asset Management	OCIO	Investment Manager	SEI IT Services	GRC	Data Analytics	Manager Research	Family Offices
	DC fund sponsors									
	Large foundations/endowments									
	Large global wealth managers									
	Family offices									
EXISTING MARKETS	Private Banks									
	Investment Advisors									
	Institutional Investors									
	Investment Managers									
	UHNW Investors (INB)									

## OUR STRATEGY

# Apply advanced technologies and investment tools

### Technology

- › Artificial Intelligence
- › APIs
- › Blockchain
- › Cloud
- › Cybersecurity
- › Data Analytics
- › Robotics

- 
- › Front-end technologies
  - › Infrastructure

### Investments

- › Direct indexing
- › Factor-based investing
- › Overlays (e.g., tax & ESG)
- › Alternatives

## OUR STRATEGY

# Confront headwinds

Stronger regulatory landscape worldwide

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Rising cost and complexity of managing information technology (IT)

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Increasing fee pressure

## OUR STRATEGY

# Turning headwinds into new (and existing) businesses

SEI is building a global business, GRC, which provides a technology-enabled solution to help clients manage a wide range of regulations.

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We also recently launched SEI IT Services, which outsources a variety of IT services to banks and investment managers.

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The advice given, the technology platform employed, and the customization of the assets managed are the value drivers today in our revenue models.

## OUR STRATEGY

# Leverage our assets

We craft new client offerings from the things we do very well.

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The result is high-quality services that can be built fast-to-market and with scale.

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Recent examples: GRC and SEI IT Services

## OUR STRATEGY

# Leverage our assets

We are often a client of our own platforms.

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As a result, we anticipate our clients' needs.

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Recent examples: SEI Wealth Platform (SWP), Investment Manager Services, SEI IT Services, GRC and many more

## OUR ENHANCED STRATEGY

# Transform with One SEI strategy

Our strategy is to make all platforms open to all other platforms.

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We call this strategy “One SEI.” It’s also the theme of this conference.

## OUR ENHANCED STRATEGY

# Transform with One SEI strategy

SEI has a multitude of assets – most created for single markets.

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One SEI will unlock the power and potential of all of SEI's assets.

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This allows us to view clients and markets at a broader enterprise level.

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**Results!**

## RESULTS!

# SEI's business model and strategy benefit long-term investors\*

We return substantial capital each year to shareholders through dividends and stock buybacks.

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Return of capital in the last 5 years is over \$2 billion.  
Shares outstanding were reduced by 17 million shares in the last 5 years.

## RESULTS!

# SEI's business model and strategy benefit long-term investors\*

SEI's gross growth in stock price  
since going public in 1981

**40,776%**

NASDAQ Composite growth in index  
over the same period of 1981 – 2019

**4,819%**

S&P 500 gross growth in index  
over the same period of 1981 – 2019

**5,923%**

Daily cumulative gross returns since IPO on 3/25/1981 through 10/31/2019. SOURCE: SEIC appreciation, Factset. NASDAQ and S&P appreciation, Bloomberg.

\*Past performance is not indicative of future results.

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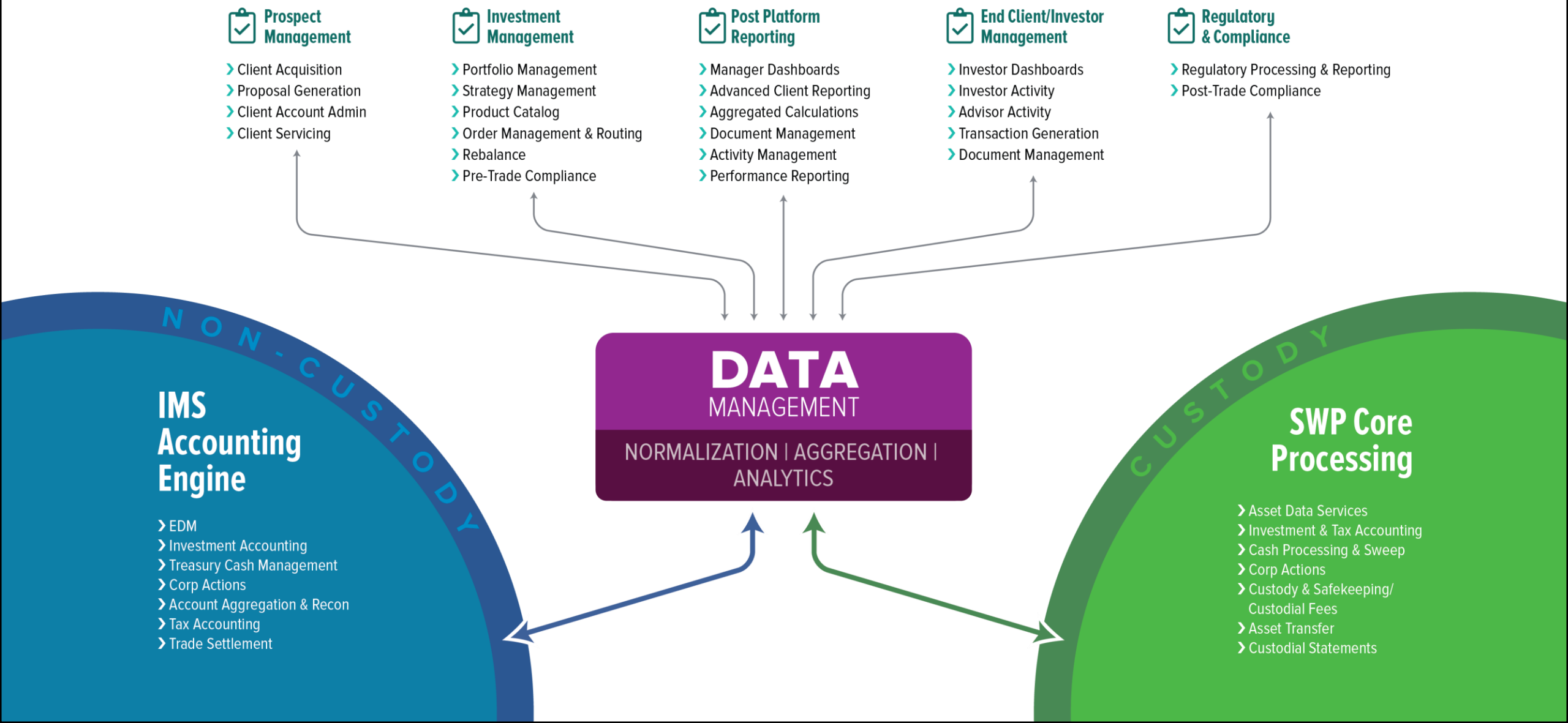
# One SEI Business Technology Strategy

Jim Warren

# Take down the walls between our platforms, enabling delivery of SEI's capabilities to all markets

- › One SEI is NOT a separate platform.
- › It is a platform and technology strategy.
- › A singular, SEI-based enterprise ecosystem, leveraging:
  - › Existing SEI platforms
  - › Open architecture
  - › Modular components
- › Data management at its core

# SEI aggregated functionality and services



## Front Office/Client-Facing Business Services

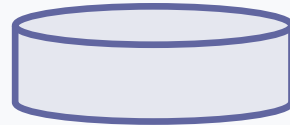
- Address Change Notification
- Advanced Customer Reporting
- Advisor Experience
- Customer
- Document Capture & Digitization
- Document Management
- Enrollment Initiation
- Institutional Statements
- Investment Compliance – Risk Analysis
- Investment Policy Statements
- Mobile
- Order Management
- Portfolio Management
- Pre-Trade Compliance
- Post-Trade Compliance
- Proposal Generation
- SMA / UMA Services
- Transaction Advises
- Wealth Statements

## Applications

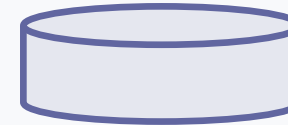
### Consolidated Data Layer



**External Custody**  
IMS Platform



**Internal Custody**  
SEI Wealth Platform (SWP)  
Trust 3000



**Client**  
Third-party Data Source



**Archway**  
Family Office

## Back & Middle Office Business Services

- Account Closing
- Administrative Review
- Asset Data Services
- Cash Processing
- Class Actions
- Corporate Actions
- Foreign Currency
- Foreign Tax Withholding
- Free Movement
- Income
- Investment Review
- IRA Administration
- Maturities
- Performance Measurement
- Portfolio Transfers
- Property Management
- Proxy Services
- Reconciliation
- Registration
- Regulatory & Compliance
- Reporting
- Retirement Benefit Payment Services
- Safekeeping Services
- Settlement Processing
- Tax Services

## Technology Services

- Batch Processing Services
- Data Analytics
- Data Replication & Delivery
- Disaster Recovery
- Hosting
- Real-Time Messaging
- Systems Integration

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**Front-Office  
Experience**  
Rob Wrzesniewski

## FRONT OFFICE



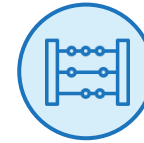
End Clients



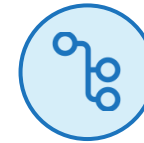
Advisors & Wealth Managers



Investment Professionals



Operations



Data Integration

### Business Processes

- Proposal Creation
- Financial Planning
- Create Prospect
- Monitoring

- Enrollment
- Administration Services
- Statements
- Performance

- Strategy Management
- Rebalancing
- Compliance
- Asset Services

- Corporate Actions
- Settlement
- Tax Processing
- Currency Management

- Reconciliation
- Fees & Commissions
- Custodial Recordkeeping

### Platform Components



Firm Business  
Operating Model



Asset Data



Document  
Management



Portfolio  
Management System



Portfolio  
Accounting



Investment  
Performance



Order Management  
System



Recon System



Business  
Intelligence

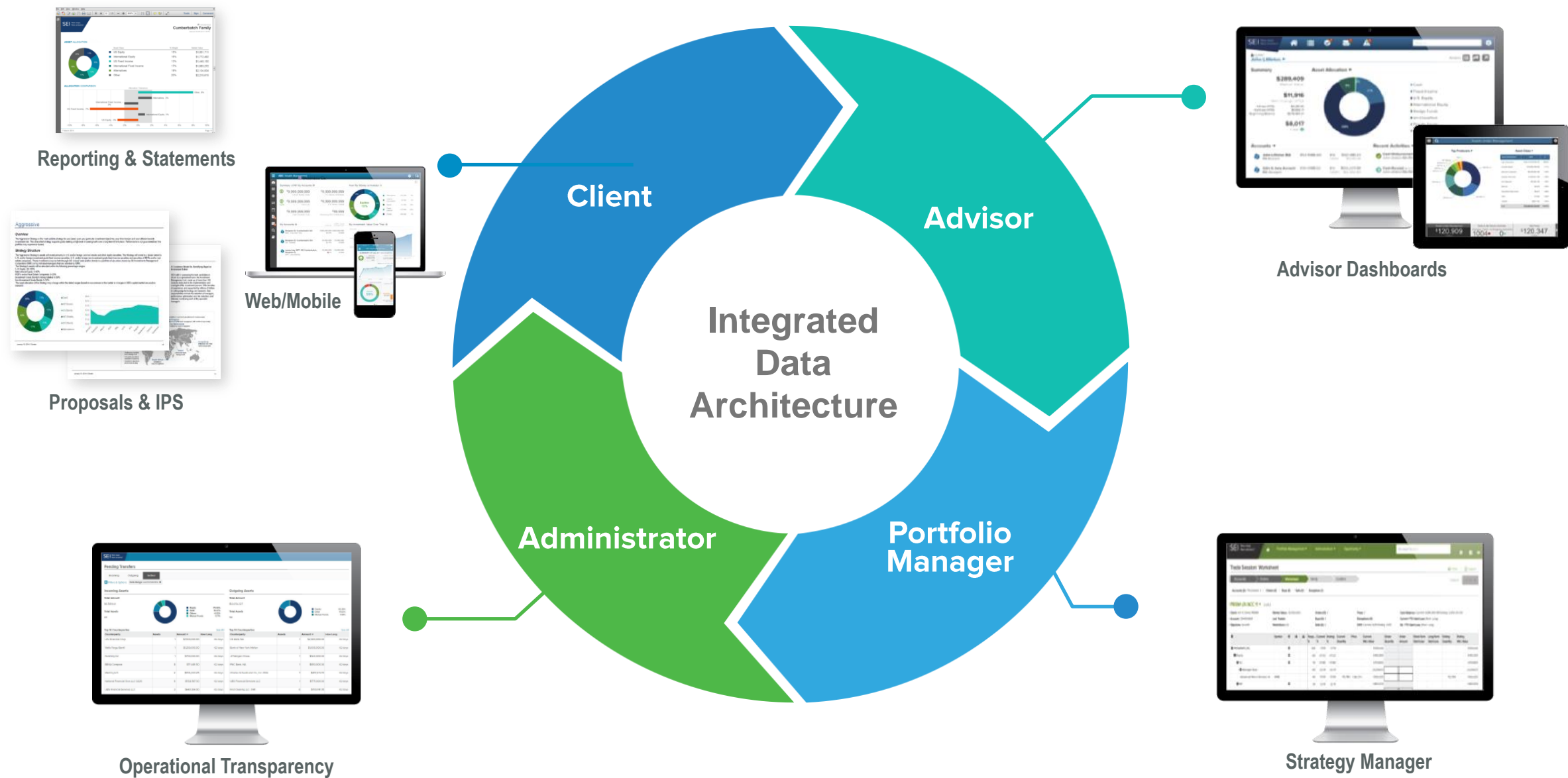
### Data Management



Enterprise Database



Data Warehouse



THE CUSTOMER JOURNEY

# Unified advisor and investor experience



## SWP CASE STUDY

# Large super-regional private bank

### Client Profile

- › Provides consumer and commercial banking, wealth management, mortgage and insurance products and services to customers across the South, Midwest and Texas.

### SEI Service Statistics

- › Wealth, Trust and Investment Management
- › 18,000 managed accounts; 13,500 non-managed accounts
- › \$89 billion in total assets on SWP
- › 515,000 trades per month (average first-half 2019)

### SEI Service Model

- › Full adoption of SWP services, including proposal generation, onboarding, advisor experience, portfolio management and digital investor access
- › First time an outsourcer allowed for redeployment of significant totals of operations staff
- › Significant improvement in the advisor experience, including reporting, web and mobility
- › Unified managed account support provided a single location to manage custom and models-based portfolios, including individual securities, ETFs, funds and separate managers.

## SWP CASE STUDY

# Independent Advisor Solutions

### Client Profile

- › 7,400 Independent Registered Investment Advisors (RIA), including both broker-dealer-affiliated advisors and purely independent advisors
- › Advisors provide consumers with a wide array of wealth management, planning and advisory services
- › SWP enables investment, technology and operational outsourcing

### SEI Service Statistics

- › 20,600 SWP users across all firms
- › 355,000 accounts
- › \$67.7 billion in AUM
- › 2.5 million trades executed in October 2019

### SEI Service Model

- › SWP front office services include:
  - Proposal generation integrated with the account open process
  - Third-party CRM and financial planning integration using web services and APIs
  - Advisor Desktop
  - Custom strategy management
  - Investor portal that includes native mobile app
  - Customizable performance reporting
- › Unified managed account structure that supports:
  - Multiple investment products, including individual securities, ETFs, funds and separate managers in a single account
  - Automated model administration, including portfolio rebalancing, cash management and tax management

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**Investment  
Manager  
Experience**  
Jim Warren



## Front Office

- CRM Integration
- Investor Reference Data Management
- Transaction Processing
- Investor Reporting
- Investor Analytics



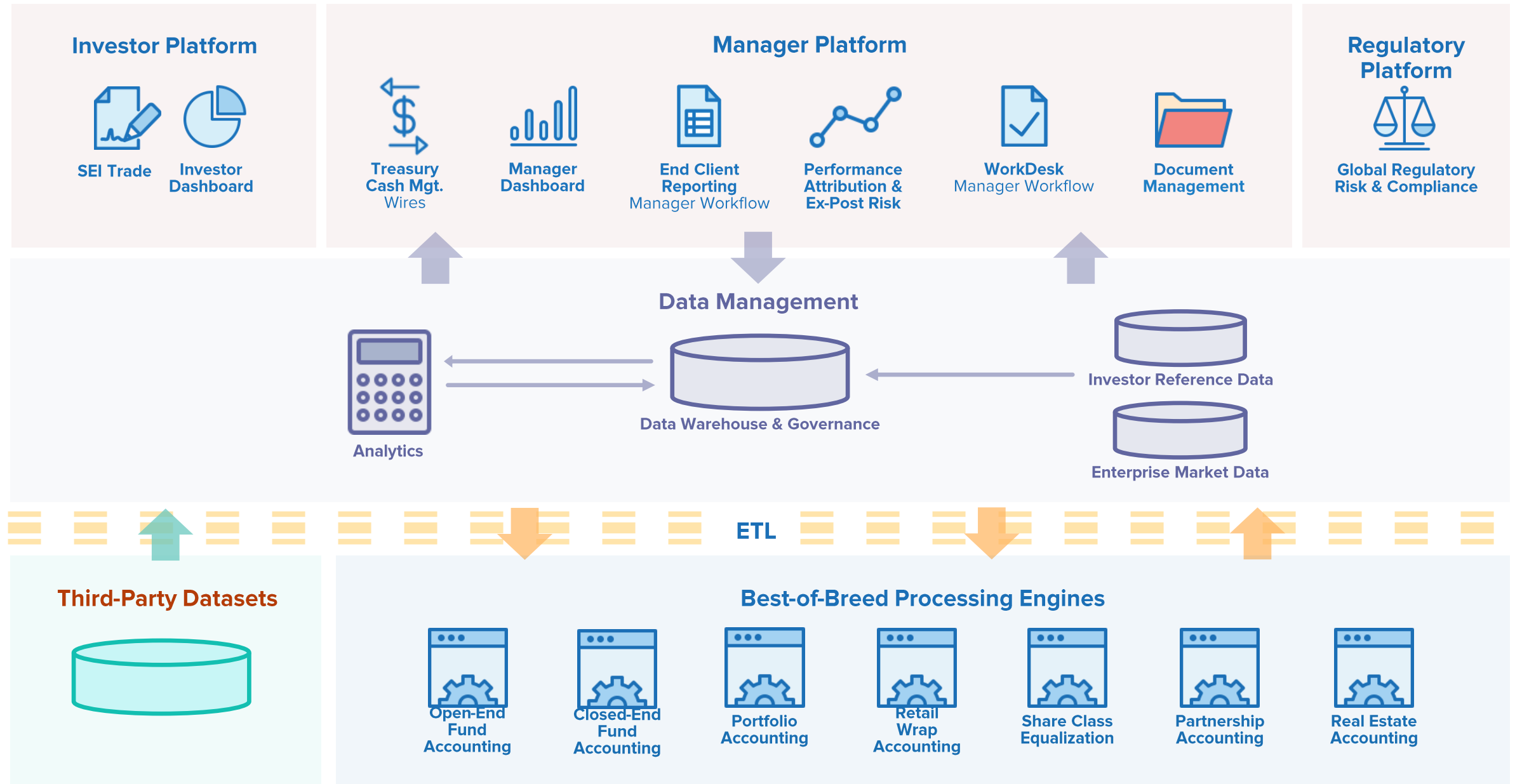
## Middle Office

- Order Management Support
- Pre- and Post-Trade Guideline Compliance
- Portfolio Administration
- Trade Settlement
- Portfolio Reconciliation
- Treasury Cash Management
- Portfolio Performance Measurement
- Reporting
- Client Billing



## Back Office

- Fund Accounting & Administration
- Fund Reconciliation
- Management & Fund Reporting
- Investor Servicing
- Fund Performance Measurement
- Fund Compliance
- Trustee & Custodial Services



## IMS CASE STUDY

# Investor data management and integration

### Client Profile

- › Investment Management Division of a global bank
- › Alternative investments in private equity funds, hedge funds and real estate funds

### SEI Service Statistics

- › 4,500 advisors
- › Over 2,500 account transactions per month
- › Over 100 fund products supported through the platform
- › Integration with seven external administrators

### SEI Service Model

- › Converted data in 2015 from multiple internal and external sources
- › SEI provides electronic investor transaction processing across the entire alternatives platform
- › Advisor and firm-level users are accessing status and workflow data
- › Data and documents flow into both SEI and external administration platforms
- › SEI facilitates investor onboarding across all external administrators

## IMS CASE STUDY

# Large technology-heavy traditional asset manager

### Client Profile

- › Separate account manager: SMA, Private Client, Institutional
- › 30 Emerging Markets, Global & International strategies (equity and fixed income)
- › Extensive legacy technology platform
- › Client objectives: Streamline legacy operating environment, improve efficiency and quality of service delivery, enhance end-client experience

### SEI Service Statistics

- › 8,285 separate accounts
- › 5,333 transactions per month (all business lines)
- › \$27 billion in AUM

### SEI Service Model

- › Improved SMA trading workflow via API connectivity between proprietary decision support tool and a third-party order management system
- › Near real-time integration of portfolio accounting data to proprietary decision support tool via APIs
- › Single view of combined business in Manager Dashboard
- › Continued support of custom security master via EDM
- › Retired internal accounting systems and other legacy technology applications; eventually their data warehouse
- › Leverage SEI Investor Platform for presentation of investor data
- › Utilize SEI API platform to integrate with third-party CRM and reporting systems

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## A differentiated solution

- › Horizontal integration across platforms for business units and markets
  - › **One provider**
- › Vertical depth of solutions providing front/middle/back services across markets
  - › **Value added services**
- › Data management with investment processing capabilities of a best-in-class provider
  - › **A single processing and data architecture**

**We are using the assets of SEI to solve our clients' biggest problems.**



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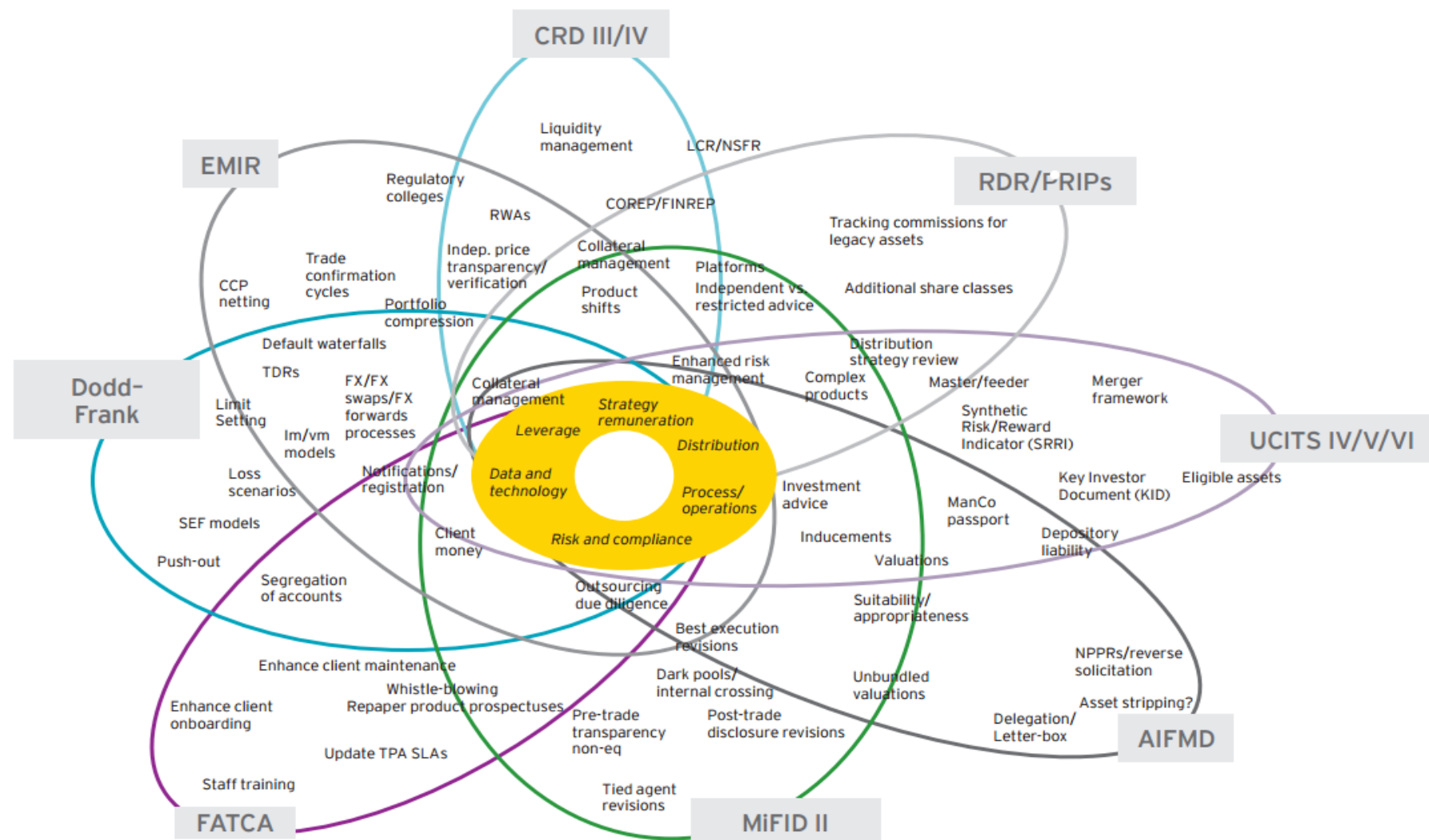
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# Global Regulatory Compliance (GRC)

**Phil Masterson**

## INDUSTRY HEADWINDS

# Complex, burdensome regulatory landscape



HELP!

## Floods & fines / risk & enforcement

More than

**57,000**

Global regulatory alerts in 2018  
– Reuters

As many as

**100-150**

Articles on regulation in the first half of 2019  
– Joint Working Group

JP Morgan added

**13,000 employees (\$2B)**

and spent **\$600M** in tech for global  
regulatory and compliance (2012 – 2014)

**900+**

Global regulators & bodies affecting  
financial institutions  
– Reuters

**\$300B+**

Regulatory fines paid by global lenders since 2010  
– Bloomberg

**77%**

Increase in enforcement actions against  
investment advisers and investment  
companies in 2019  
– SEC Division of Enforcement

**\$1B**

total amount of penalties imposed by the SEC  
during 2019  
– SEC Division of Enforcement

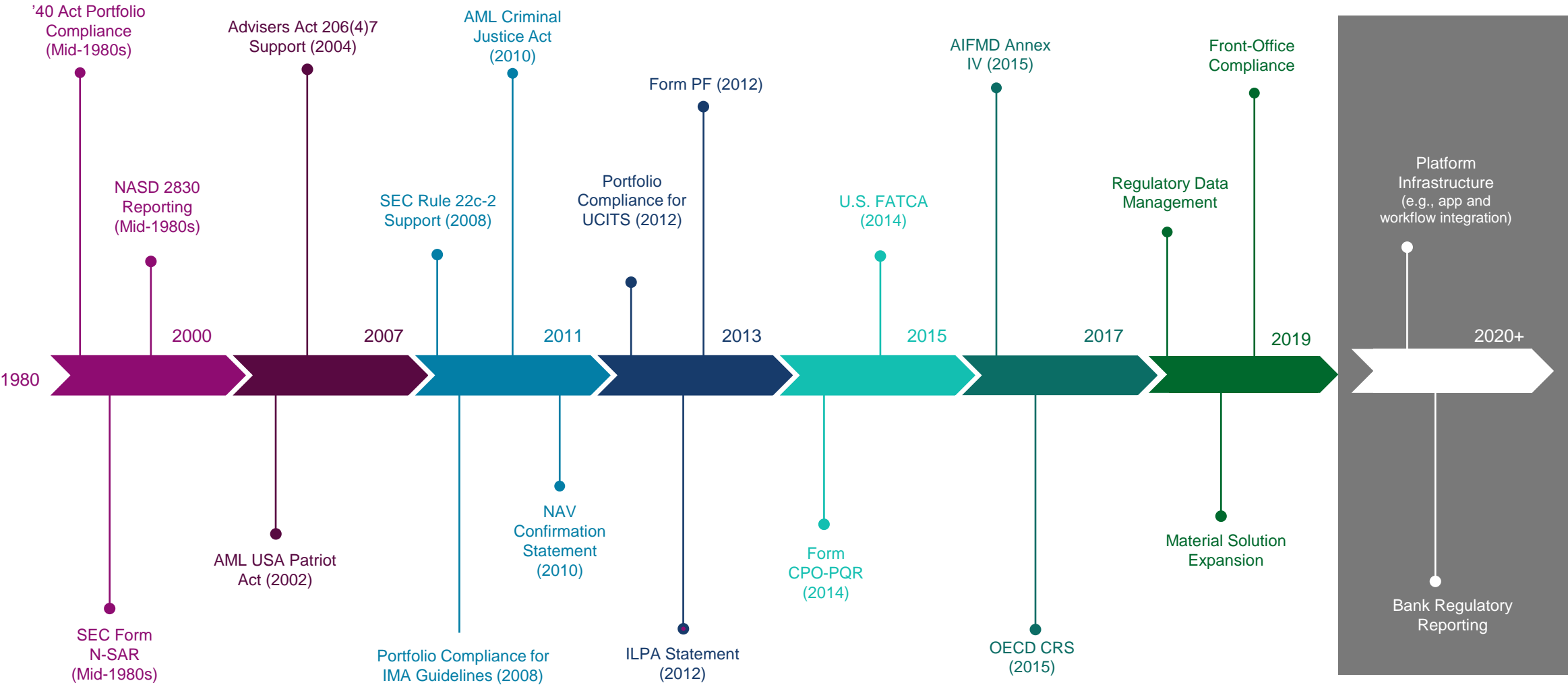
**\$2.5B**

SEC fee disclosure crackdown – Michigan RIA  
to pay \$2.5m  
– Fund Intelligence

# Regulatory-induced insomnia for the C-suite

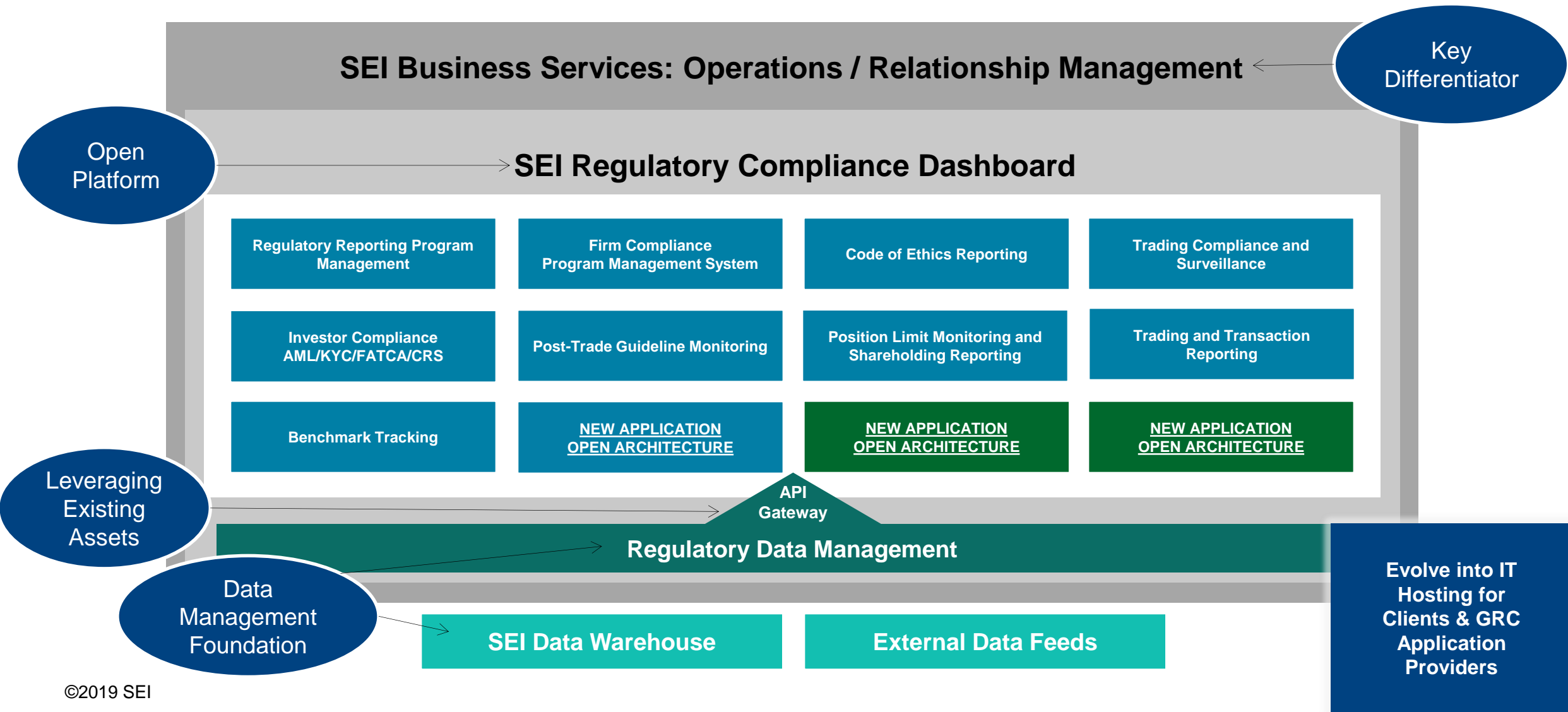


# SEI Global Regulatory Compliance Services timeline



# Enterprise Regulatory Compliance Platform

## Outsourced business services & integrated technology



## Burden Creating Opportunity

# Estimated market sizing data

**Fragmented, decentralized market** comprised of three main components:

- › **Advice:** Provided by lawyers and consultants (higher risk & difficult to scale)\*
- › **Technology:** Regulatory apps/software for discreet needs (first-mover advantage critical; typically niche firms for niche market opportunities; risk of commoditization)
- › **Managed Services:** Data management, managing regulatory processes, monitoring software vendors

### What needs are common?

- › Need for regulatory data management
- › Need for expense management, leading to outsourcing
- › Need for services, as well as tech
- › Need for comprehensive platform from a trusted partner

### SEI is well-positioned to address needs and exploit opportunity

- › Trusted, low counterparty risk
- › Critical technology components to leverage
- › Large, existing audience to sell to
- › Empathetic with significant subject matter expertise

**\$18B**

Estimated spending on RegTech platforms  
(Juniper Research, 2018)

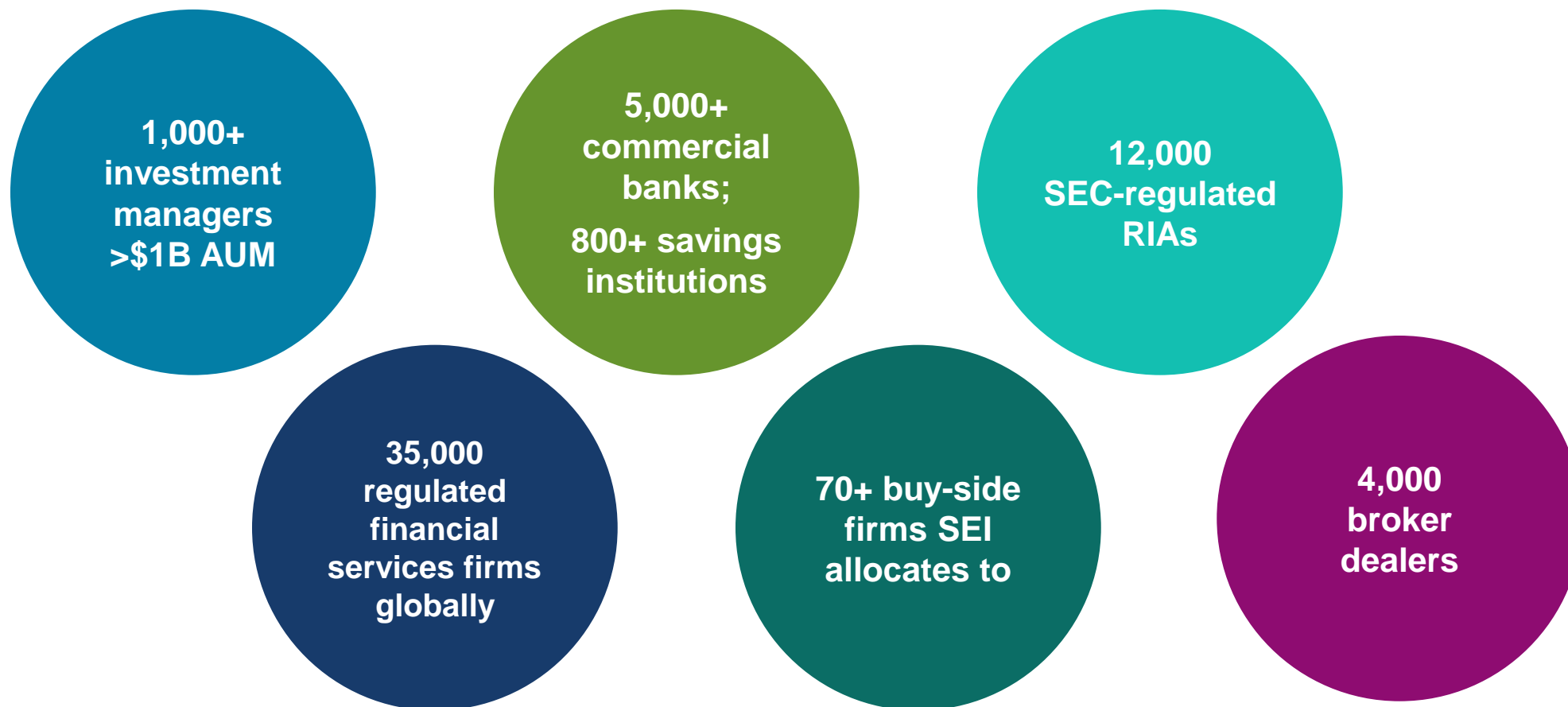
**\$64B**

Estimated market spend for technology by 2020, compared to \$47 billion in 2015 (LTP Research)

**\$55B**

Estimated market size of global RegTech market by 2025 (Grandview Research, 2019)

## Large universe of prospects



# Case study

## Client profile

- › \$60 billion asset manager
- › Equity, fixed-income, multi-asset & liquid alternative strategies
- › No prior relationship with SEI

## Challenge

- › Regulatory team stretched thin
- › One set of reports, in particular, was problematic (5 distinct forms; 30 filings annually)

## Solution

- › Sourced 60 raw data points (positions & transactions) from 2 client accounting systems into our GRC Regulatory Data Mart
- › Aggregated, transformed, enriched and fed data into the SEI GRC Enterprise Regulatory Reporting solution

## Benefits

- › Automated creation of filing answers, reports and output files, allowing for vastly improved visibility into underlying data points and greatly improved speed-to-filing

## Strategic aspects of relationship

- › Critical platform milestone: Developed and deployed our regulatory data management model
- › Proved our ability to execute against Enterprise Regulatory Reporting opportunities with net new clients
  - Thereby opening up a broader universe of prospects
  - Note: Scalable business services are critical
- › Material cross-sale opportunities (recently closed a cross-sale)



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# SEI IT Services

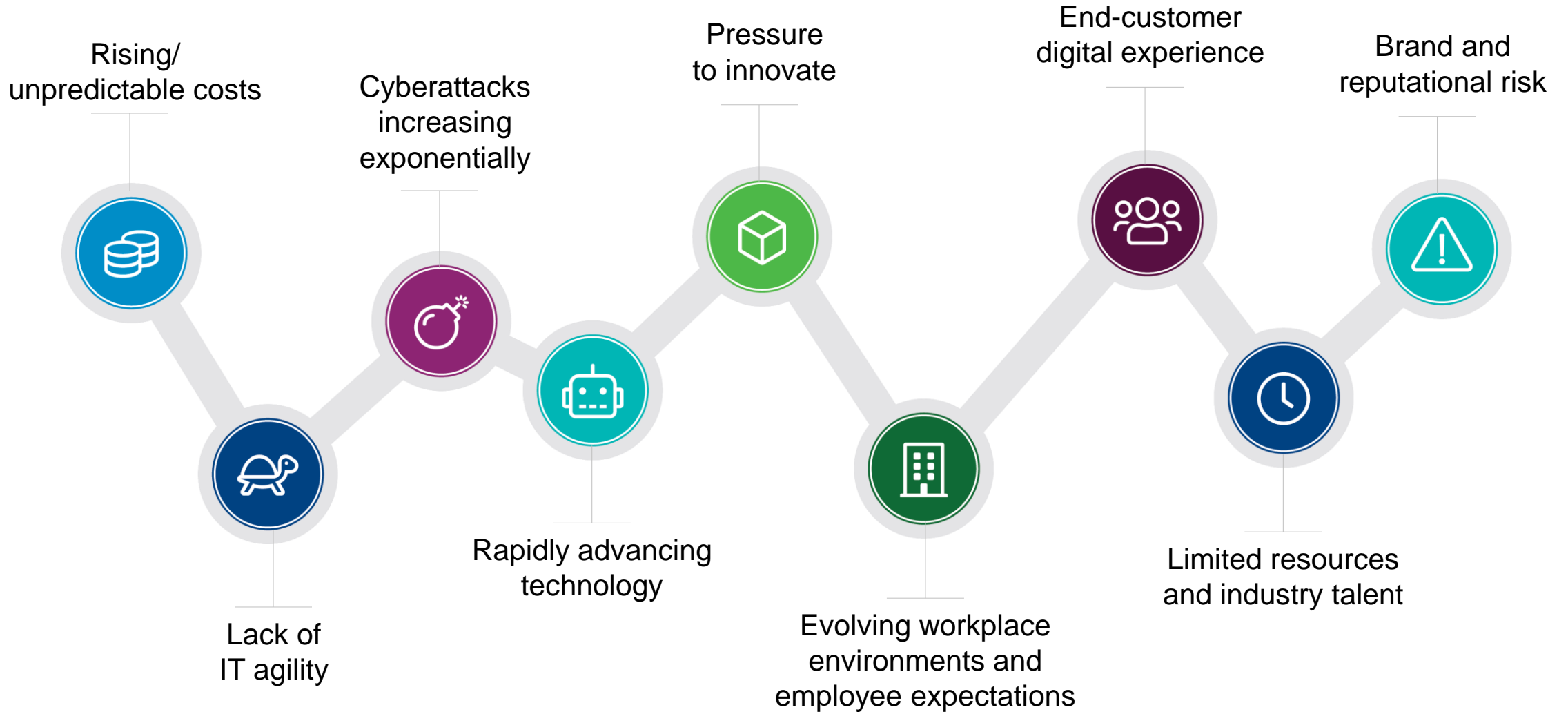
Ryan Hicke

## We know financial services

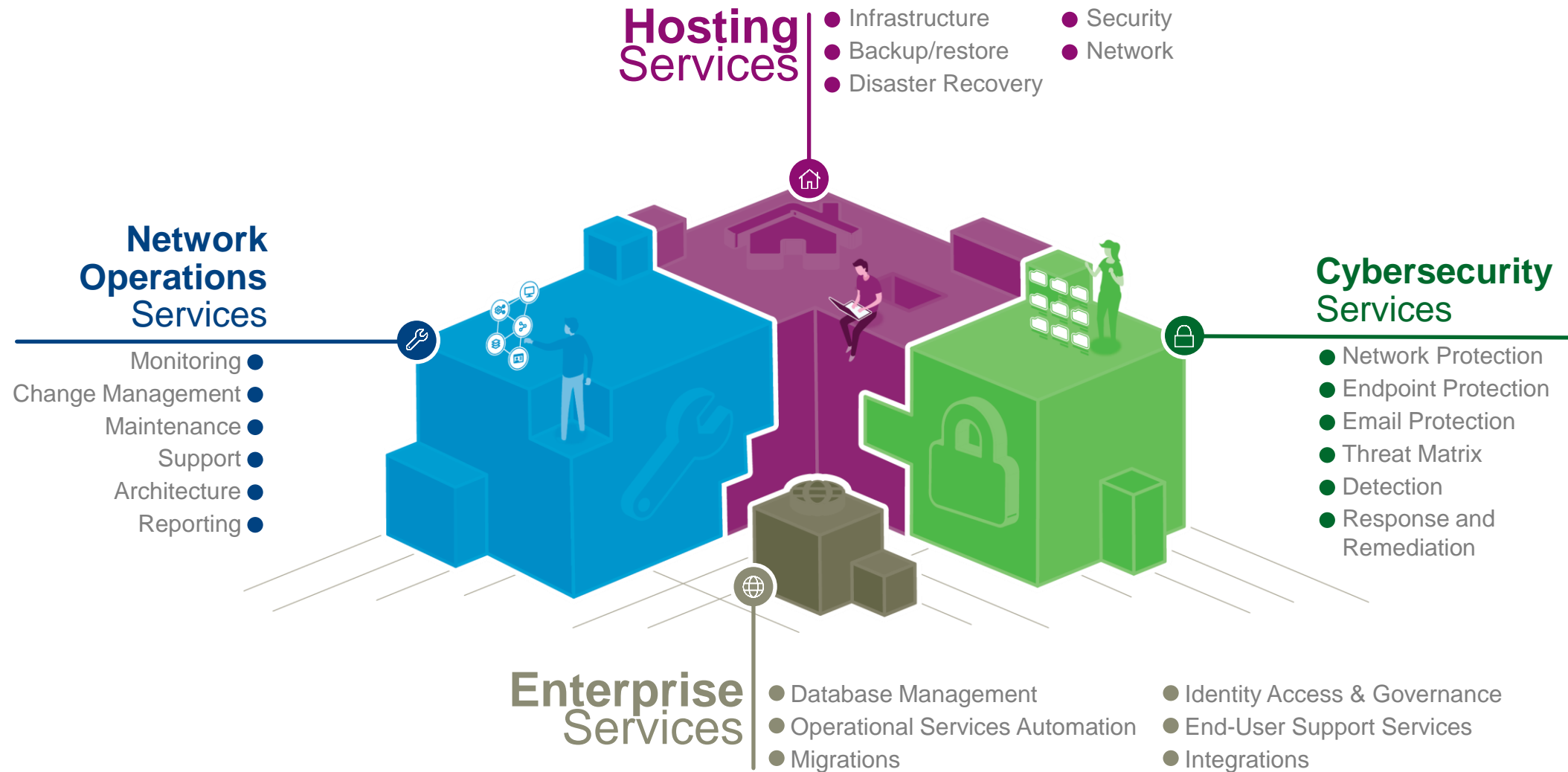
**50<sup>+</sup>**  
**YEARS**

- › Hosting, managing and processing client financial data
- › Integrating business and technology
- › Supporting our technology platforms that power banks, investment managers and wealth advisory firms globally
- › Operating as a regulated entity
- › Protecting enterprises from evolving and emerging cyber threats
- › Managing high-availability global networks

# We understand technology trends



# We deliver solutions for technology needs



## CLIENT PROFILE

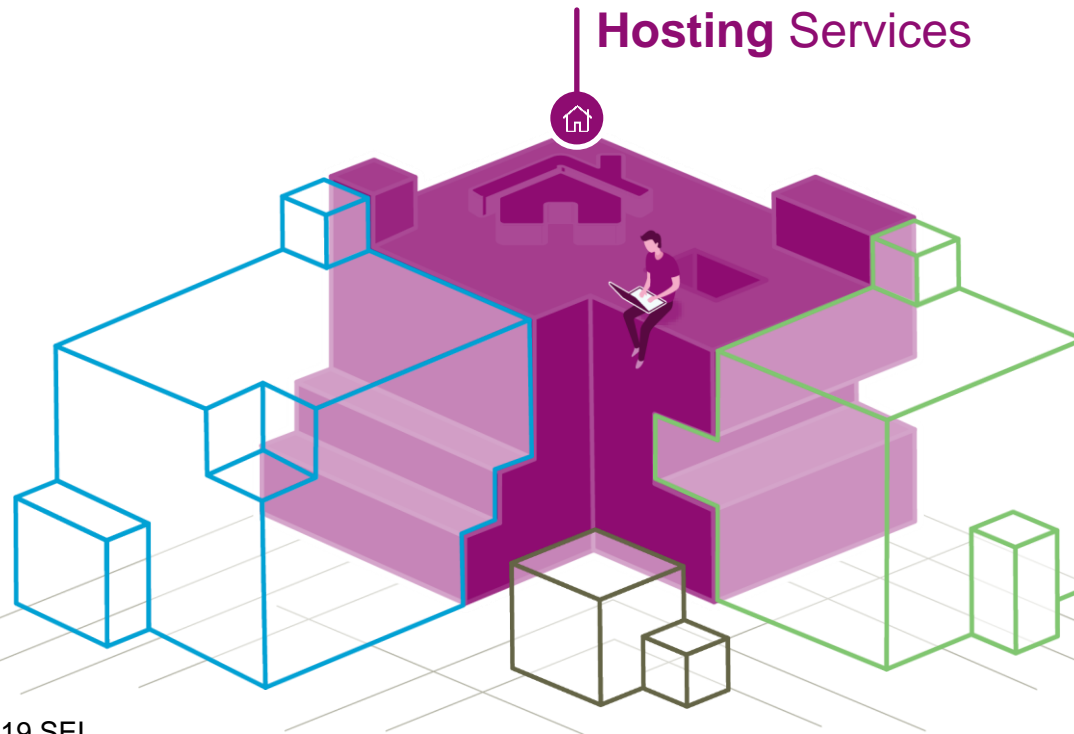
# Current client

### ORGANIZATION SNAPSHOT

#### Investment Manager

- \$5 billion in AUM
- 3 office locations
- 45 employees
- 2-person IT staff
- Focused on core growth

## Hosting Services



### SELECTED SERVICES

## Hosting Services

### Infrastructure

Run critical workloads on secure, reliable, high-performance and wholly-owned and operated enterprise resources, backed by 24x7x365 support.

### Security and Network

Comprehensive suite of managed security solutions and network operations services designed to optimize and protect your business from existing and emerging threats.

### Backup/Restore

Get data protection and meet archiving requirements using our robust combination of hardware and software technologies for collocation, managed hosting and cloud services.

### Disaster Recovery

Management of the entire disaster recovery process to minimize downtime, protect your most critical data, and keep your business running smoothly.

# PROSPECT PROFILE

## New client

ORGANIZATION SNAPSHOT		
Community Bank	• \$1.3 billion in assets	• 3-person IT staff
	• 9 branch locations	• Cybersecurity posture enhancement
	• 175 employees	

### SELECTED SERVICES

## Network Operations Services

### Monitoring

Devices and interfaces are analyzed to ensure maximum availability and performance.

### Change Management

ITIL processes guide fulfillment of all requested and required changes.

### Maintenance and Support

Maintain network configuration and software versioning for the entire network infrastructure with 24x7x365 prompt response to quickly manage any alerts or issues.

## Cybersecurity Services

### Network Security

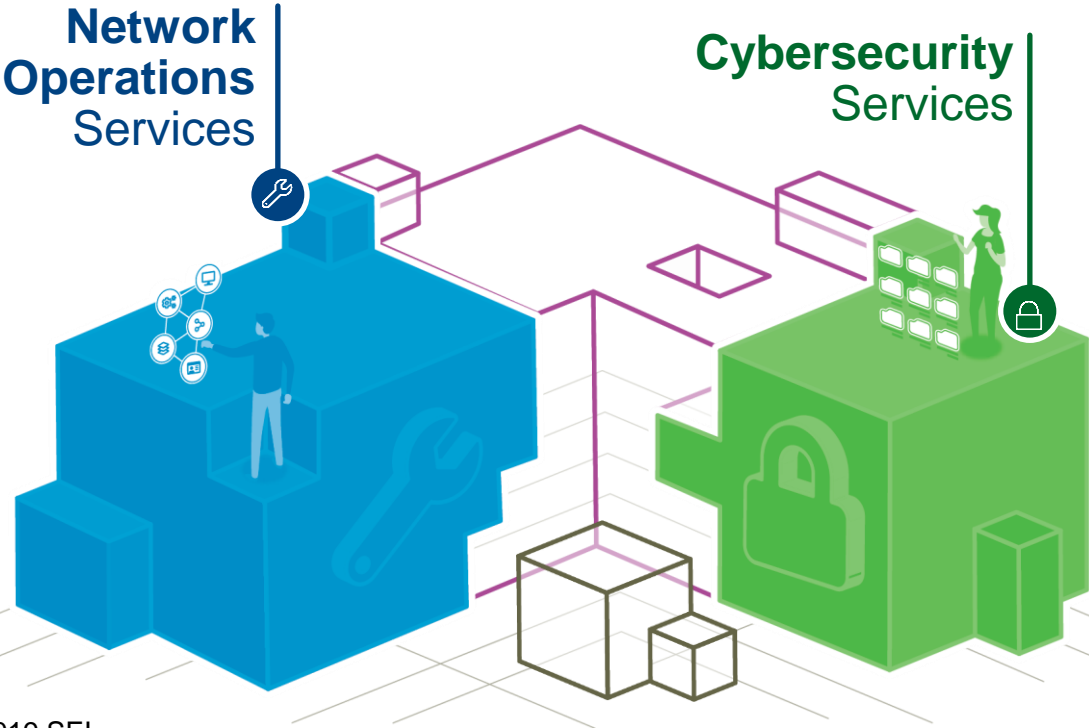
Network traffic is programmatically collected and monitored for rogue behaviors and malignant network signatures.

### Endpoint Protection

Assets are monitored in near real-time to prevent or quickly remediate compromises on laptops, servers and desktops.

### Email Protection

Whether an email server is on-premise or in the cloud, we use our custom-built technology to inspect emails and counter the latest threats.





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# The Importance of Advice and Customization

Kevin Barr

# The disruption of asset management



## Social

- › Choice
- › Challenge
- › Expectation
- › Personalization
- › Ambition
- › Awareness



## Economic

- › Growth
- › Interest rates
- › Confidence
- › Liquidity
- › Herding
- › Inflation
- › Real earnings



## Regulation

- › Speed
- › Cost
- › Complexity
- › Accountability



## Technology

- › Disruption
- › Data
- › Open architecture
- › Accessibility

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## Asset Management Industry

Commoditization, Marginalization, Product Proliferation

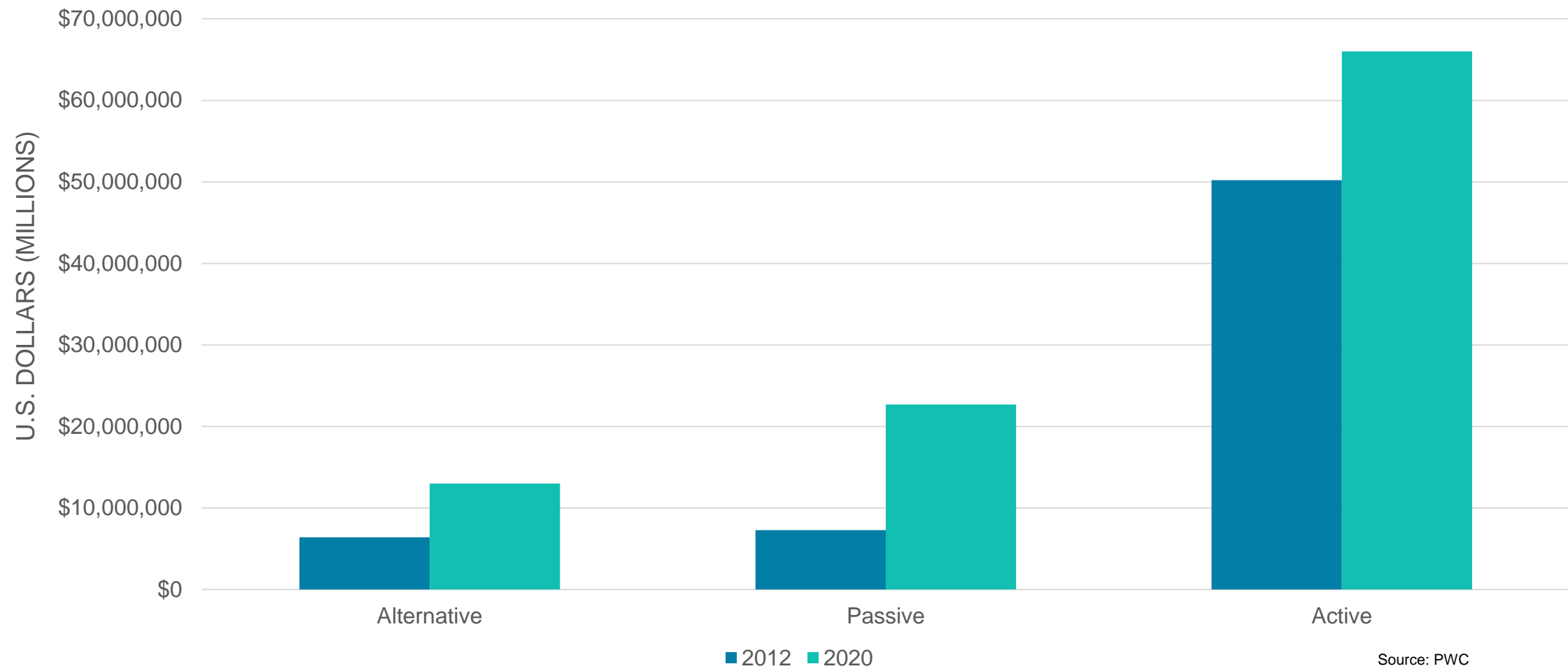
# Advice and customization

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— AL WEST

ASSET MANAGEMENT

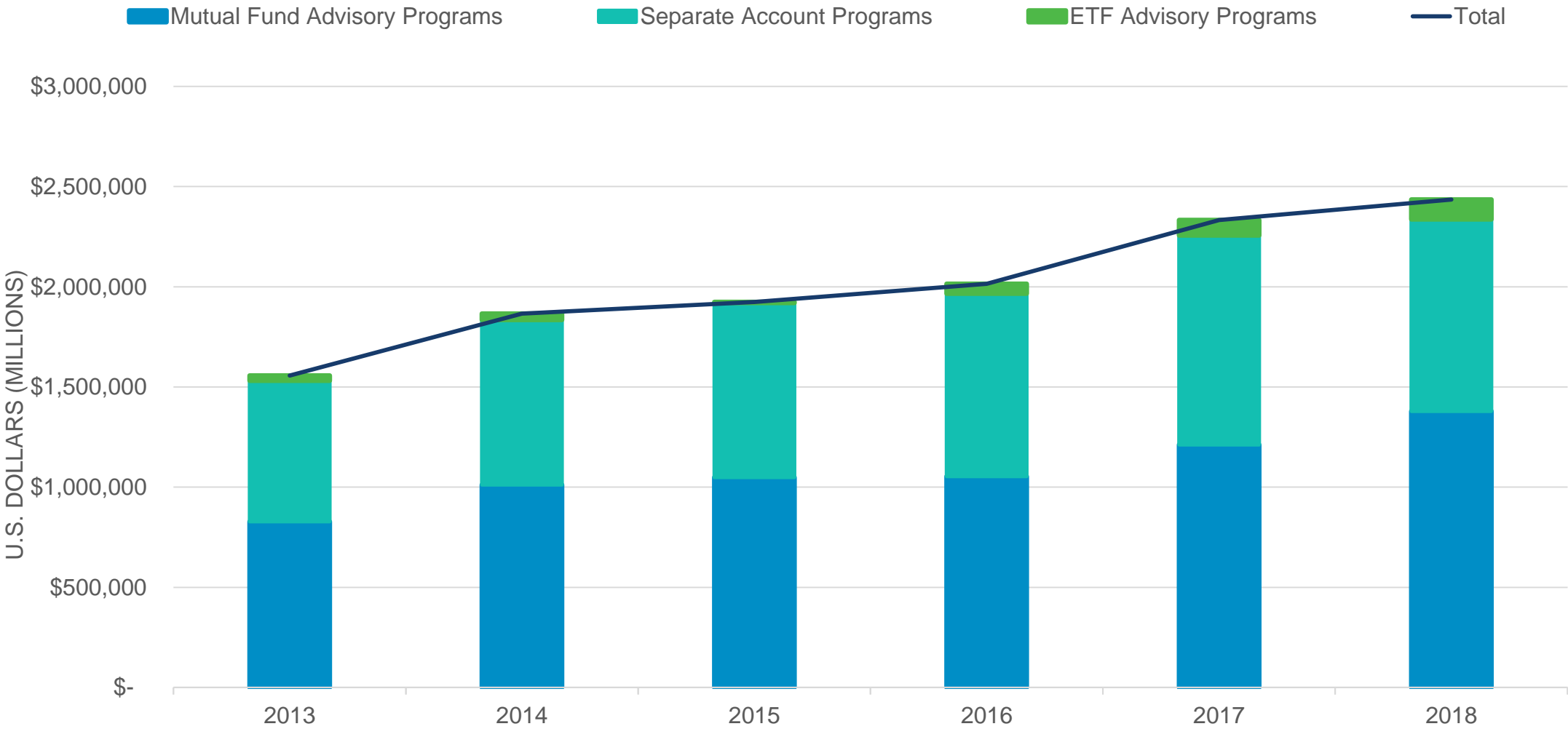
# Investing on the rise



Source: PWC

ASSET MANAGEMENT

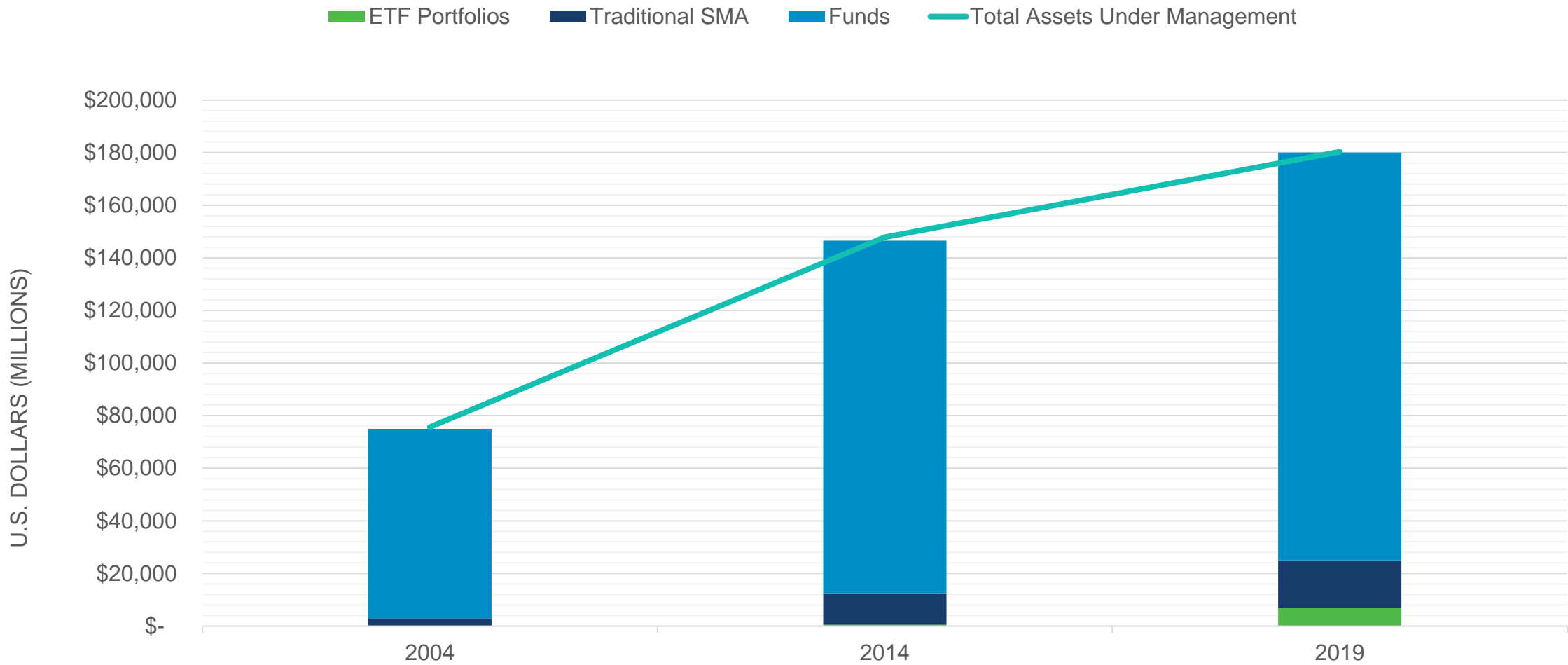
# Investors choose ETFs and SMAs



Source: SEI. Data as of 12/31/2018

ASSET MANAGEMENT

SEI's assets reflect global trends\*

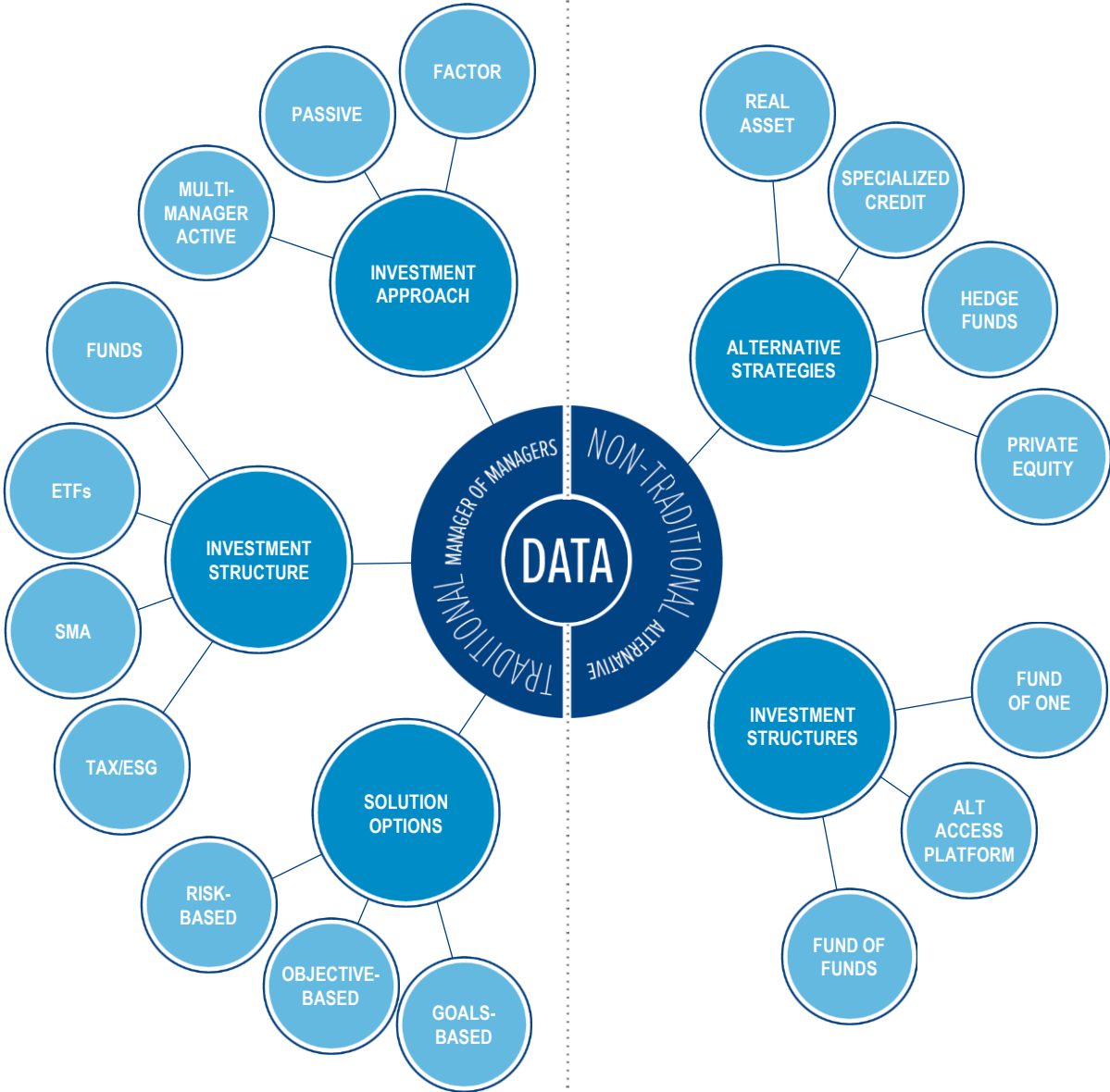


\*Past performance is not indicative of future results.

Source: SEI. Data as of 9/30/2019

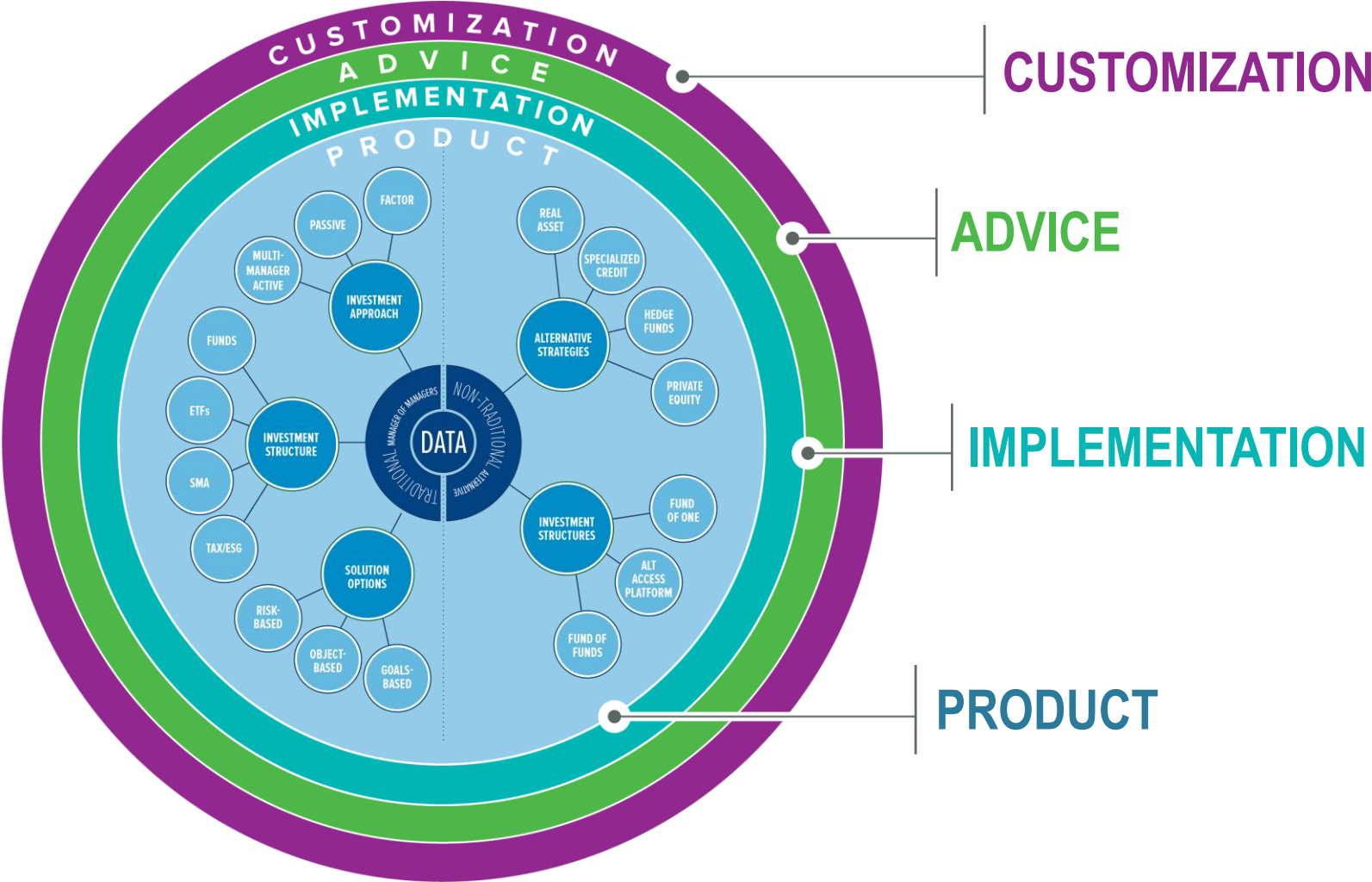
ASSET MANAGEMENT

# Choice to keep pace with the industry

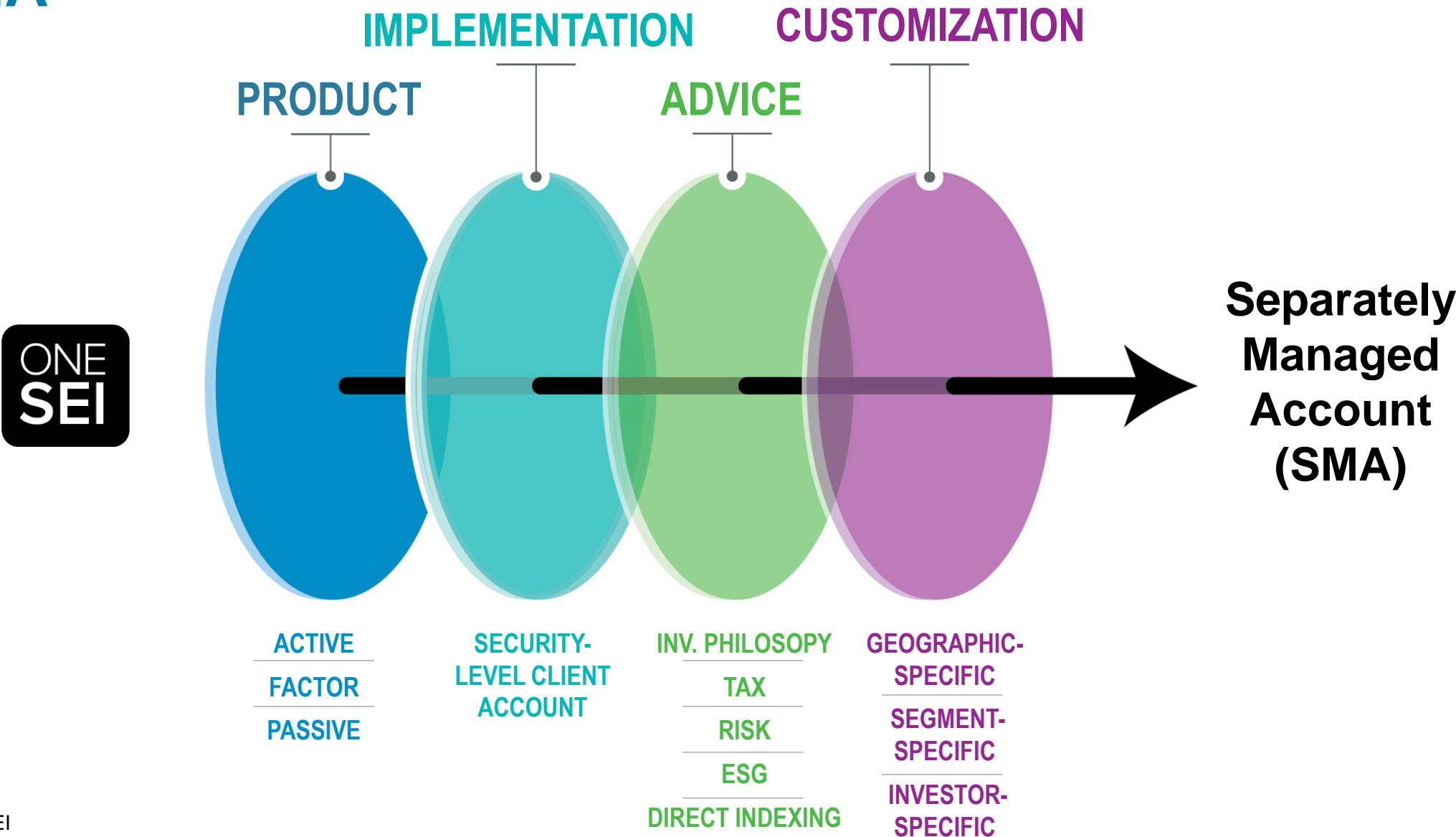


ASSET MANAGEMENT

# Customized Solution

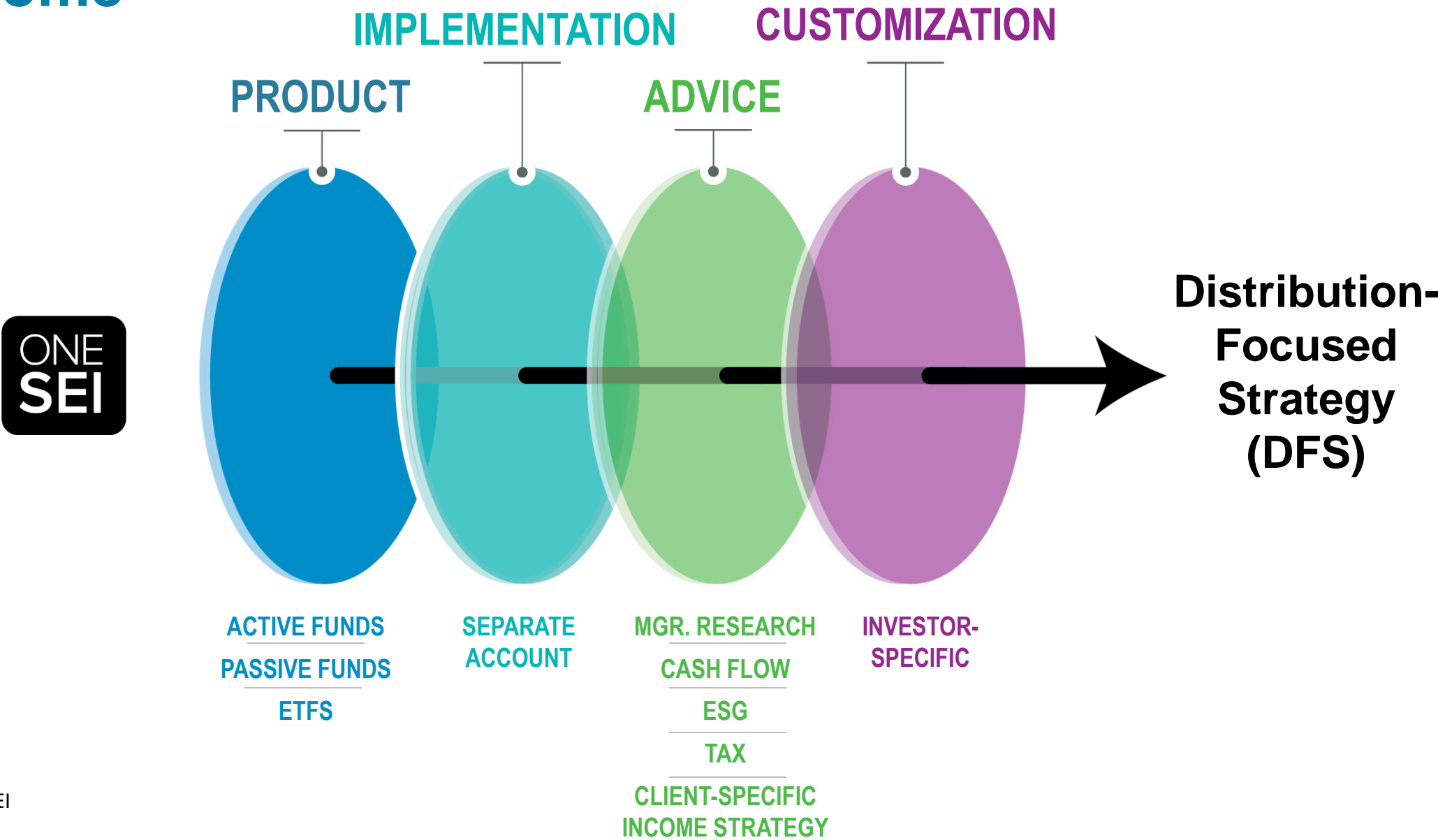


ASSET MANAGEMENT  
**SMA**

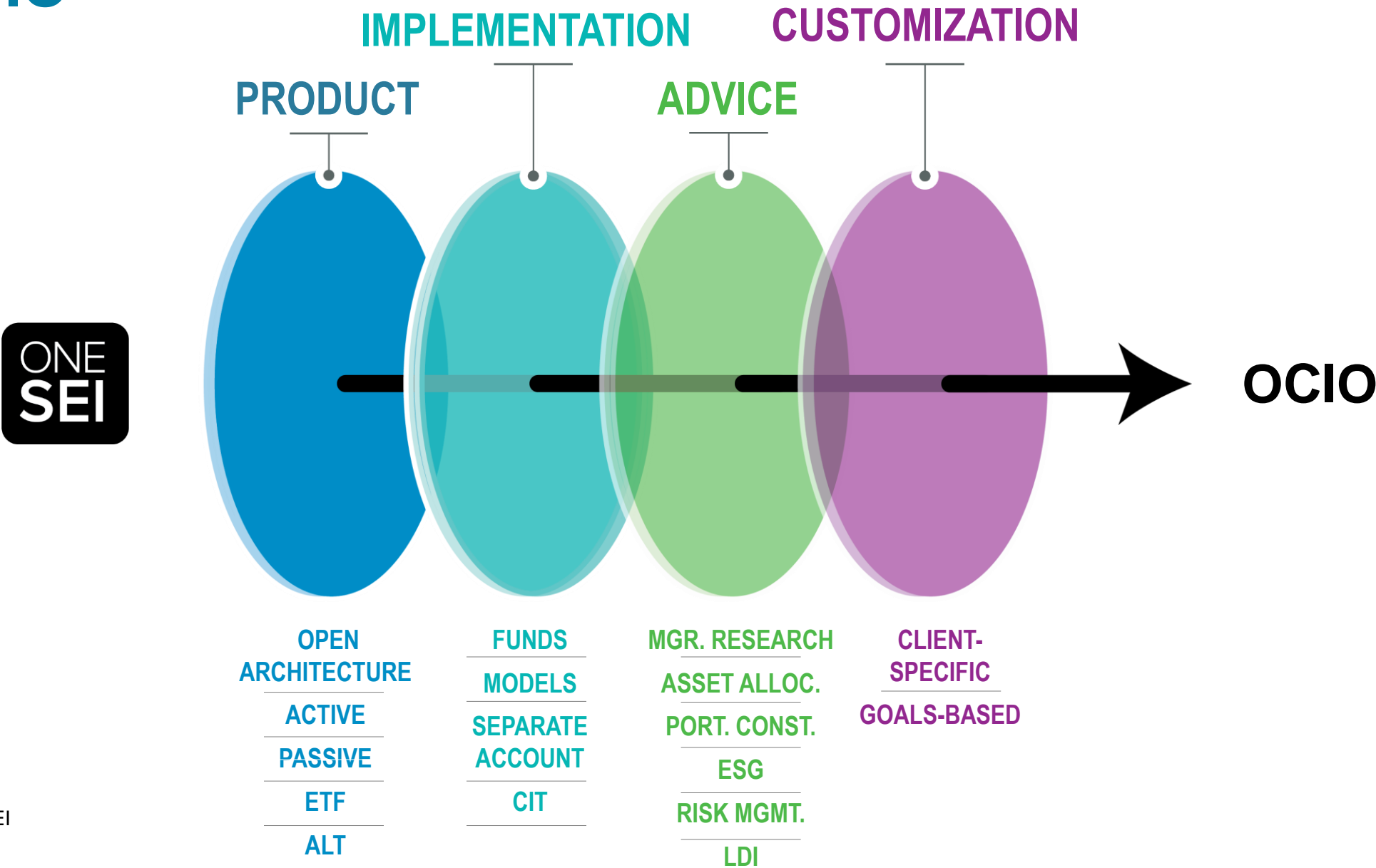


ASSET MANAGEMENT

# Income



ASSET MANAGEMENT  
**OCIO**





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SEI New ways.  
New answers.®

# Processing and Technology

Steve Meyer

# Convergence in our markets: Well-positioned in the ecosystem



# One SEI

- › It is NOT a separate platform, rather it is.....
  - **A Mindset Change**  
*Evolve our mindset to focus on capabilities and complete client needs, not defined by any one segment*
  - **A New Business Strategy**  
*Look at clients and markets at a broader enterprise level, solving their business challenges by offering the entire capability across all SEI platforms, not just within specific platforms or segments*
  - **A Technology Strategy and Advancement**  
*Open Architecture, focused on the data and continue to open our platforms and unbundle critical services and capabilities*
- › It's about unlocking the **power and potential of all of SEI** to our employees, clients, partners and markets
  - *Unlock the value and capabilities across all of our existing platforms, which will allow us to change the game and service our clients and markets in an unparalleled way*
- › Harnessing the Power of “What If”...



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# Global Private Banking and Trust

**Steve Meyer**

# GLOBAL PRIVATE BANKING & TRUST

## Snapshot\*

We provide solutions that enable organizational transformation, providing front-, middle- and back-office services, and supporting an end-to-end, holistic experience for wealth management organizations and their clients.

- › Front-Office Services
- › Investment Management Services
- › Middle-Office Services
- › Information Management Services
- › Back-Office Services
- › Infrastructure Services

**50** More than **50 years** as an infrastructure and investment processing service provider

**\$8.4T** Over \$8 trillion in **assets** processed

**1.2M** Processing over 1.2 million **accounts worldwide**

**113** Significant relationships with **113** wealth management firms globally

**11** Over half of the top **20** U.S. banks are clients

# Strategic themes: Global PBT

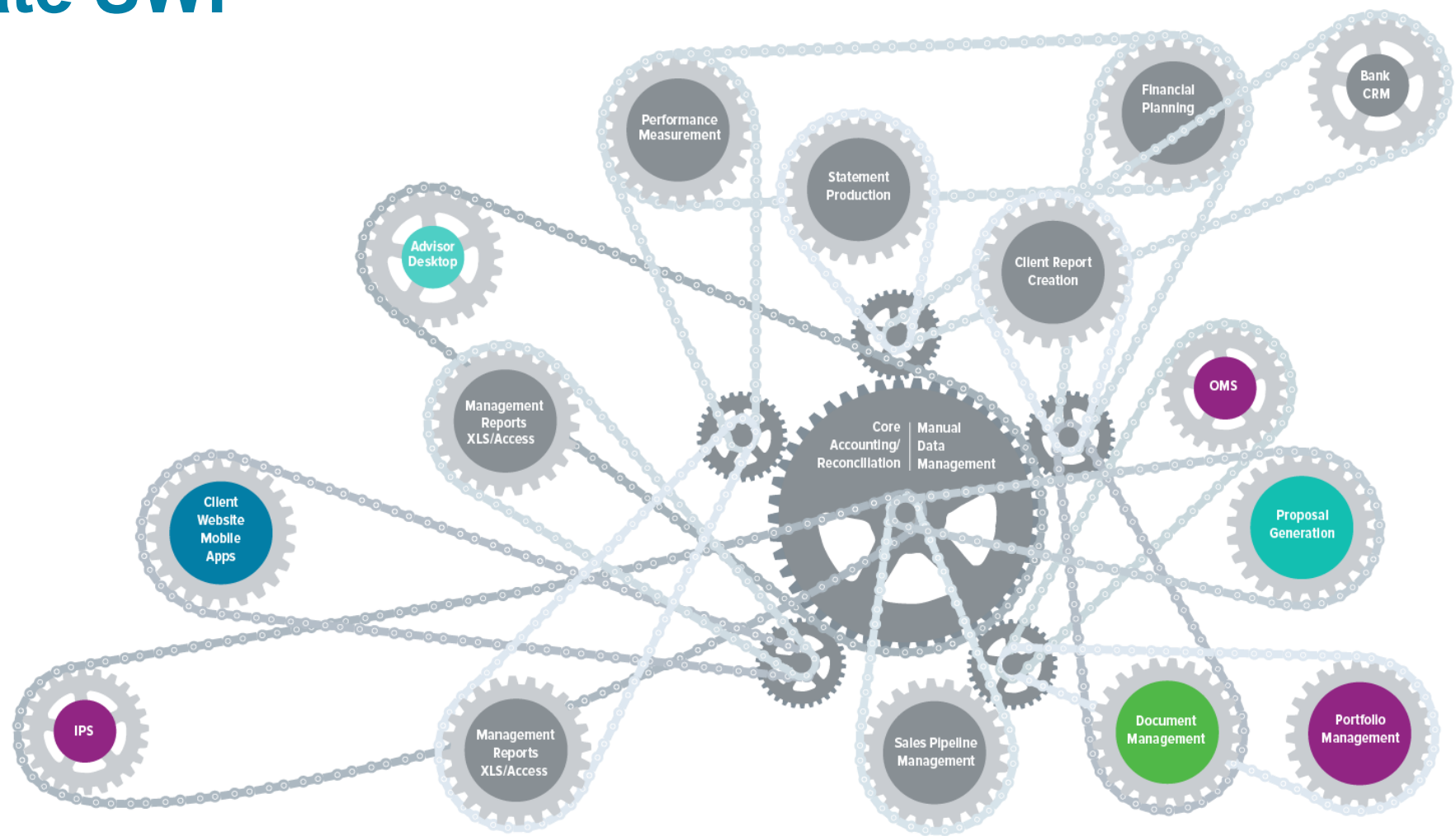
Grow our business globally

Monetize our investment in SWP

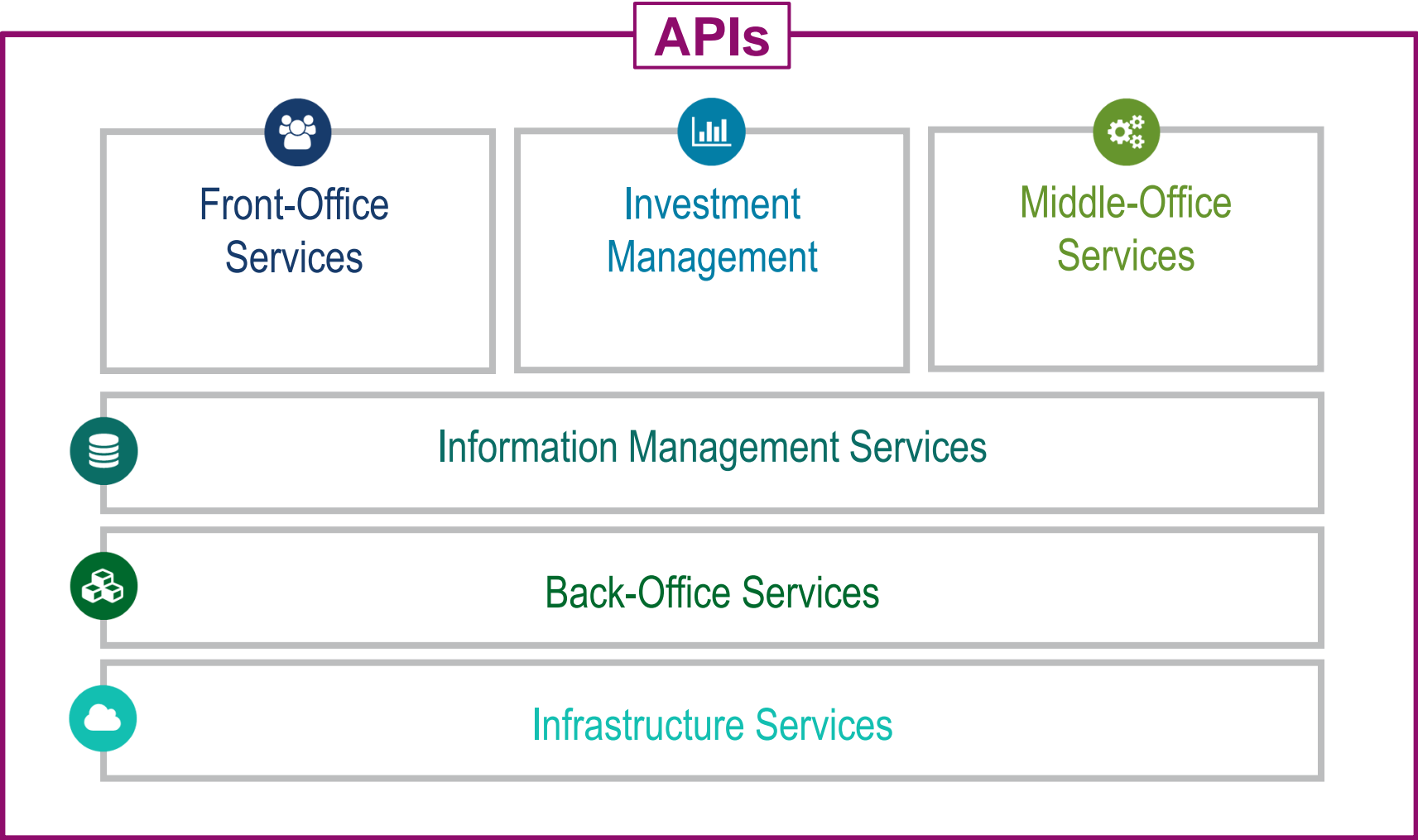
Expand our markets and solutions to drive further growth

Drive toward sustainable and accelerating profitability

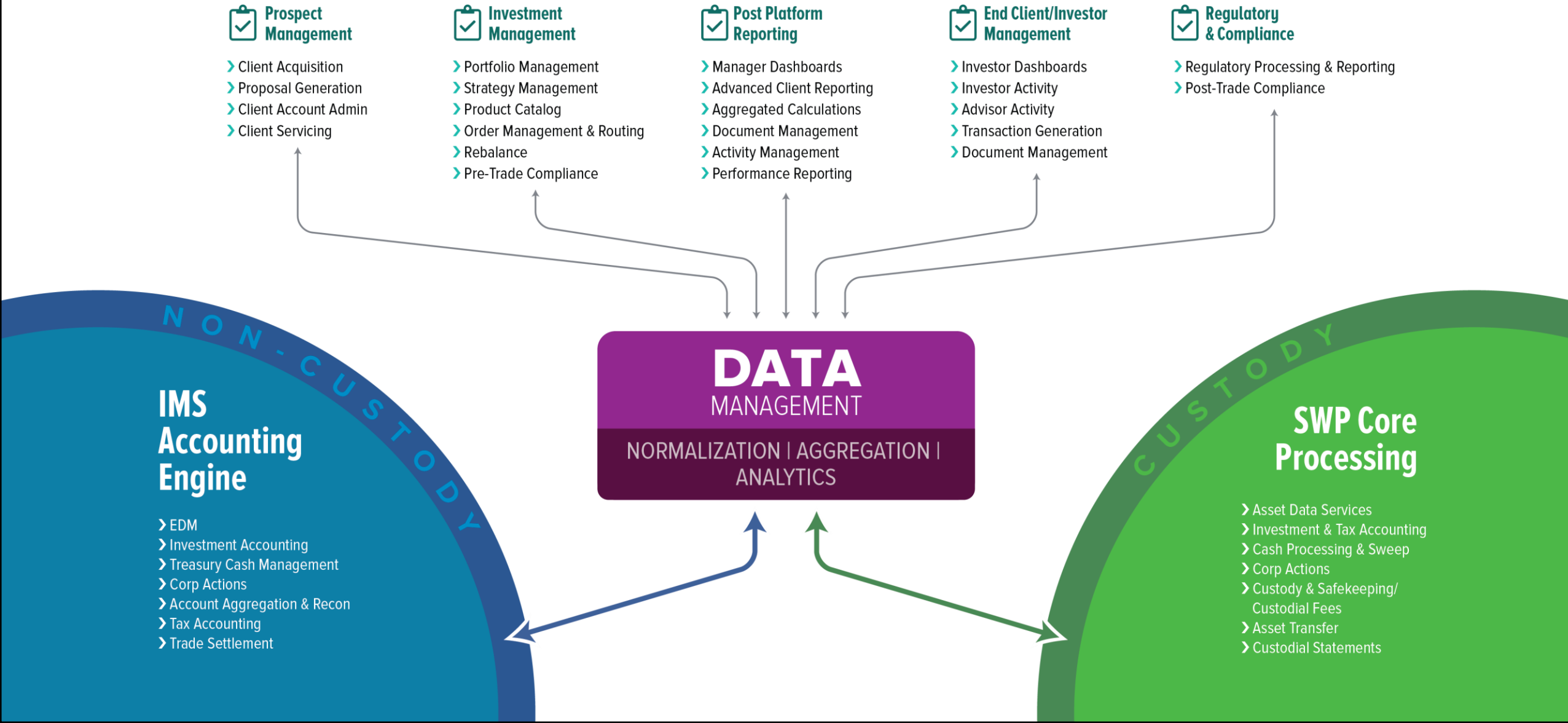
# Industry challenges: Ongoing complexity continues to validate SWP



# Continued growth and monetization of SWP



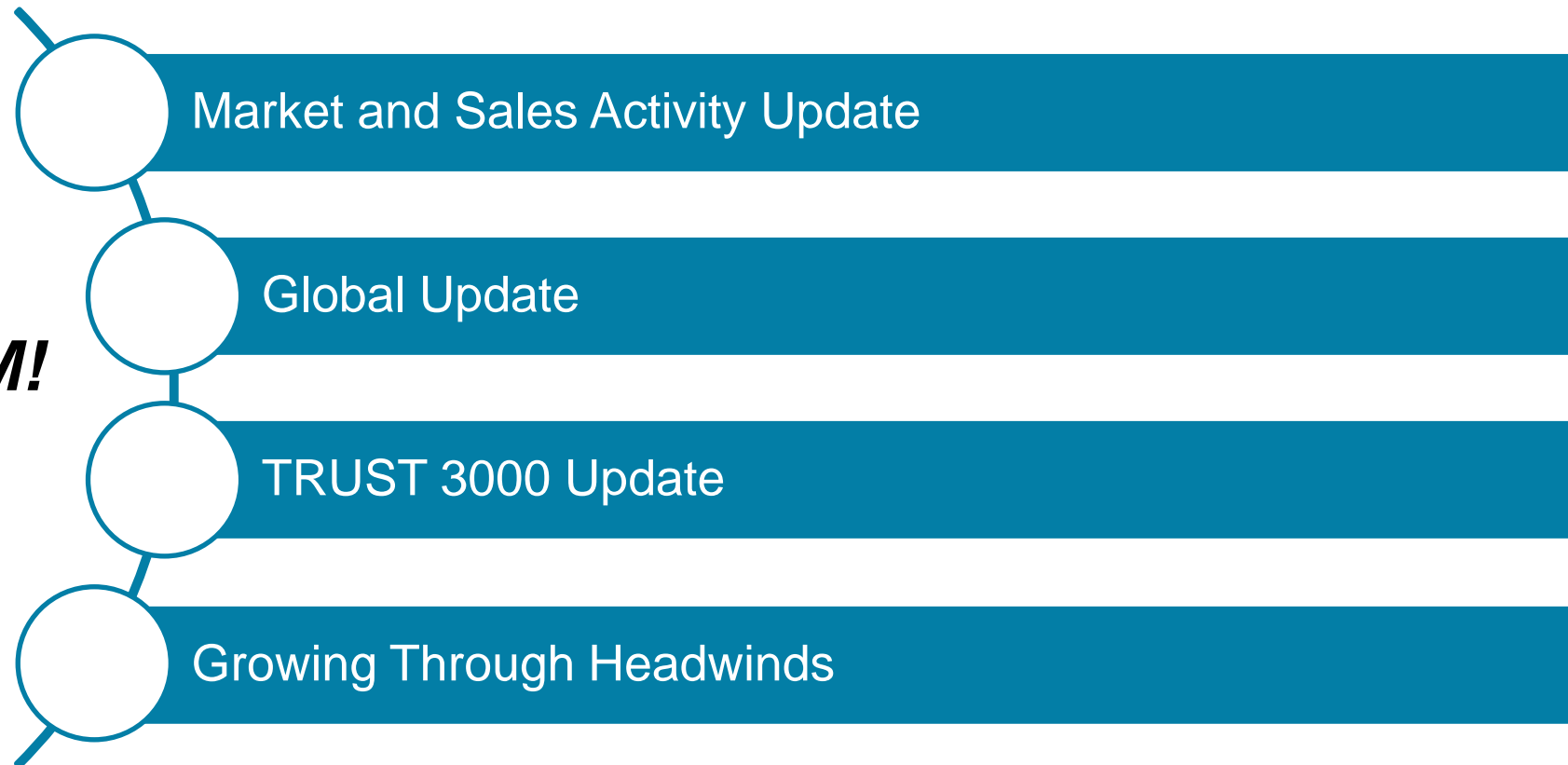
# SEI aggregated functionality and services



# Global Private Banking: Key business updates

We have momentum and continue to drive that momentum as SWP is a premium, unified wealth platform that has expanded market opportunities.

***DRIVE  
MOMENTUM!***



## Asset Management Distribution

# Snapshot\*

We enable large firms and their advisors to achieve success and provide better outcomes to their clients through an integrated and customizable technology, advice and investment solution.

- › Strategic partnerships with leading regional, national and global wealth managers
- › Clients in North America, U.K., Europe and Asia
- › Deliver **customized investment solutions**
- › Differentiate by supporting and enabling the **advice** our partners deliver to their clients
- › Underlying SEI investment products are primarily actively managed with competitive pricing and performance



# 9

In **ninth year** of delivering custom asset management solutions

# \$1.8B

More than **\$1.8 billion** in **gross sales** year-to-date

# \$22.5B

Greater than **\$22 billion** in AUM

# 290+

Nearly **300 existing** **partnerships** globally

# Global Private Banking: Key growth initiatives

## Continue our Current Momentum

- › Grow and install our current backlog
- › Expand cross-sell opportunities
- › “Lean in” strategy

## One SEI

- › Expand growth opportunities by modularizing our platforms
- › Open up platforms to allow cross-selling of other platforms (SEI Trade, SEI Archway)
- › Modularization allows “Land and Expand” approach with clients

## Grow Globally

- › Focused on Global Private Banking/Wealth Management Firms
- › Global infrastructure consolidation opportunities
- › Grow and expand with current clients

## Expand our Markets and Solutions

- › Expand opportunities by leveraging other platforms and capabilities (SEI Archway, IMS, GRC, IT Services)
- › Expand into adjacent markets (Large RIAs, small banks, other global markets)
- › Continue to drive our HTS (ASP) Solution

## Drive Scale

- › Focus on efficiency and scale in operational processes (automation, RPA)
- › Development and technology spend to increase efficiency / utilize different models
- › Leverage capabilities firm-wide



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# Investment Managers

Steve Meyer

# INVESTMENT MANAGERS

## Snapshot\*

We provide a comprehensive front-to-back office operating platform to investment managers globally, covering their business and investment vehicles/products, such as:

- › Private Equity Funds and Funds of PE Funds
- › Private Debt
- › Real Estate
- › Infrastructure
- › Hedge Funds and Funds of Hedge Funds
- › Mutual Funds / UCITS
- › Collective Investment Trusts (CITs)
- › Exchange Traded Funds (ETFs)
- › Separately Managed Accounts



**3+** Decades as an infrastructure and investment processing service provider

**\$1T+** More than **\$1 trillion** in **assets** serviced

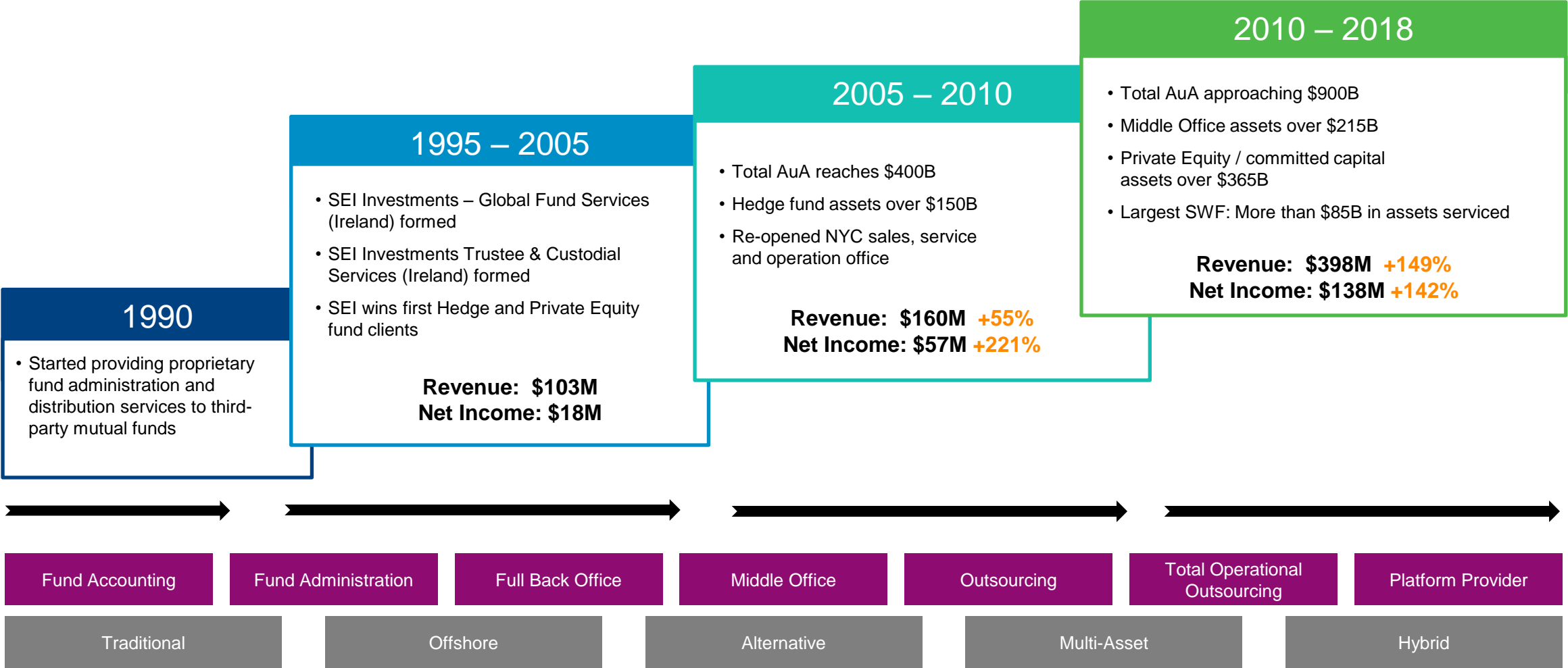
**125k** **Accounts** serviced

**5** Operational centers in **Oaks, New York City, Indianapolis, Denver, and Dublin, Ireland**

**8** Global domiciles across **8 nations**

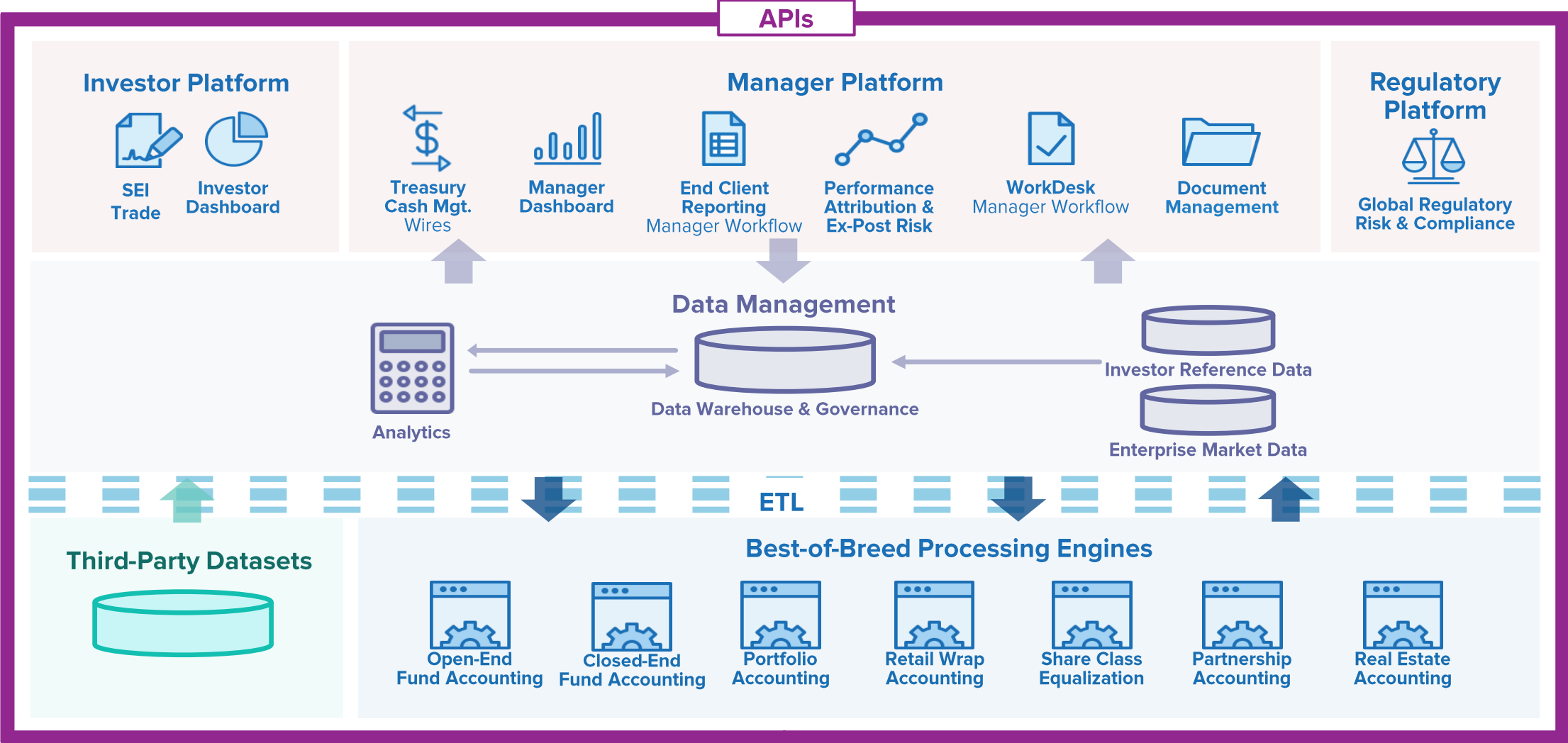
# INVESTMENT MANAGERS

## Evolution driven by innovation\*



# INVESTMENT MANAGERS

## IMS Platform

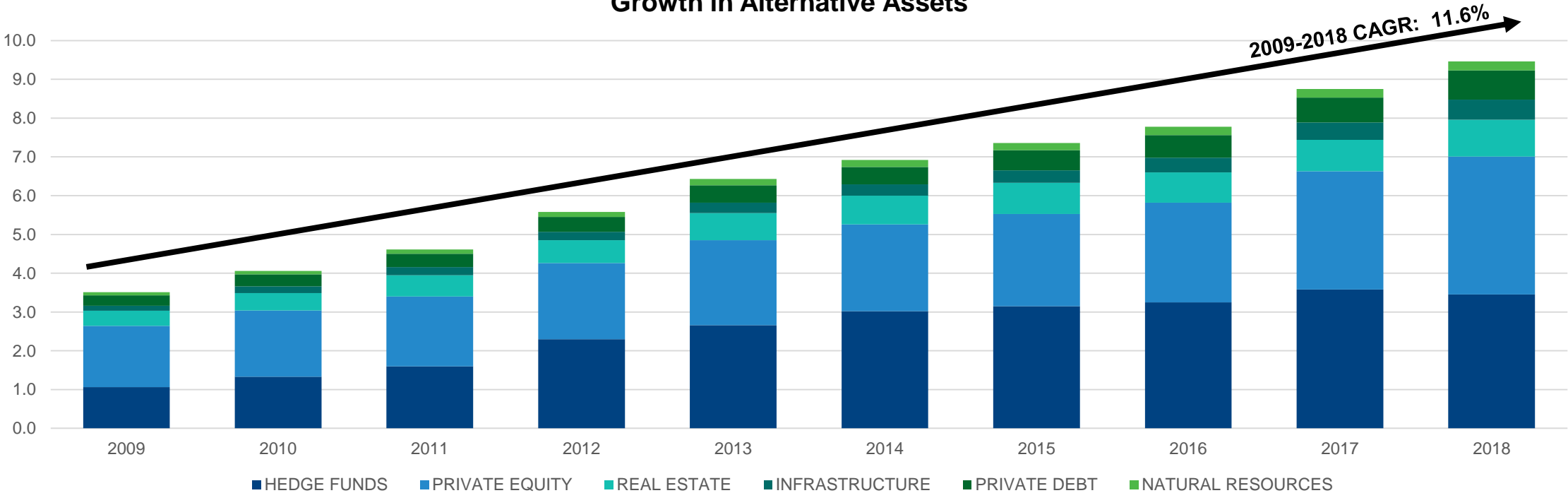


# Business update: Driving momentum

## Alternative Market Dynamics

- › Private Equity, Real Estate driving growth
- › Alternatives – the new active – \$10 trillion market
- › Business dynamics opening up new opportunities

Growth in Alternative Assets



INVESTMENT MANAGERS

Business update: Driving momentum

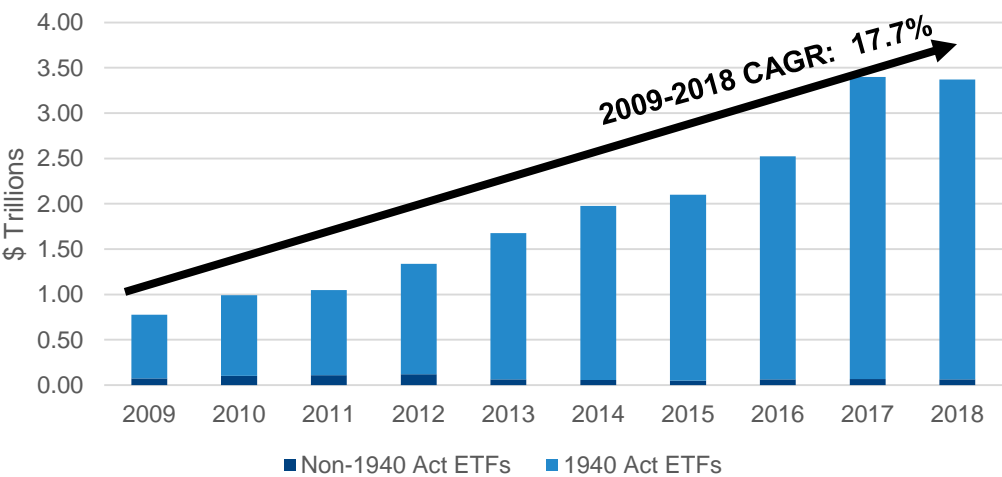
Alternative Market Dynamics

- › Private Equity, Real Estate driving growth
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- › Business dynamics opening up new opportunities

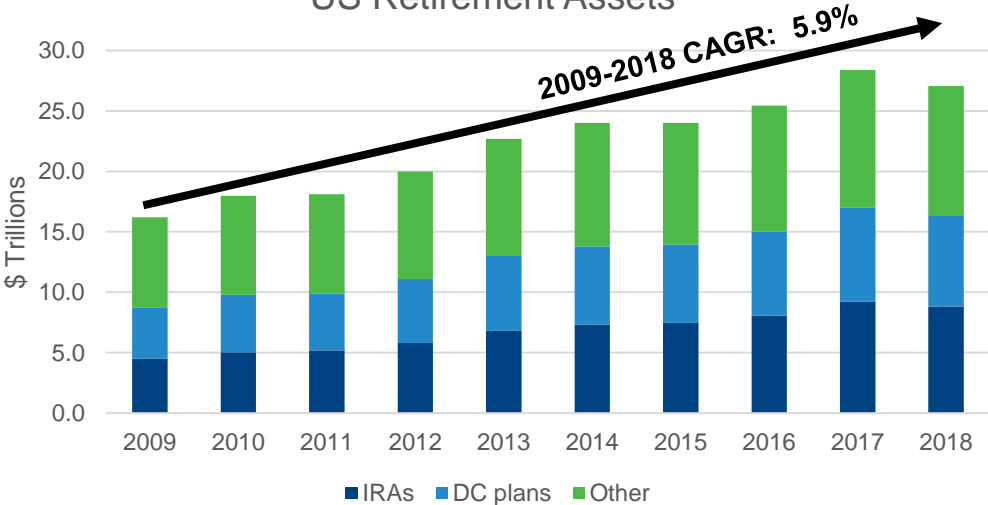
Traditional Market Dynamics

- › \$27 trillion retirement market providing significant CIT interest
- › ETFs growing at 18% over past decade
- › Middle office and technology are key outsource areas

ETFs Assets



US Retirement Assets



## INVESTMENT MANAGERS

# Business update: Driving momentum\*

### Alternative Market Dynamics

- › Private Equity, Real Estate driving growth
- › Alternatives – the new active – \$10 trillion market
- › Business dynamics opening up new opportunities

### Traditional Market Dynamics

- › \$27 trillion retirement market providing significant CIT interest
- › ETFs growing at 18% over past decade
- › Middle office and technology are key outsource areas

### Innovation and New Solutions

- › Front-Office Platform
- › SEI Trade
- › GRC

### Current Clients

- › Larger clients offer greater wallet share opportunities
- › Recent wins highlight expanding wallet share
- › Revenue matriculates faster

# SEI ARCHWAY Update\*

We provide a suite of integrated accounting, investment data aggregation and reporting technology alongside outsourced service solutions to family offices and ultra-high-net-worth families, including:

- › Integrated Accounting Software
- › Client Portal Technology
- › Bill Payment Service
- › Consolidated Reporting Service
- › Partnership Accounting Service
- › Portfolio Reconciliation Service



**2** Nearly **two decades** of experience working with family offices

**\$335B** Assets on the Archway platform

**200+** Clients on the platform

**8** Of the top **15 wealthiest American families** served

**98%** Client retention rate<sup>1</sup>

## INVESTMENT MANAGERS

# Key growth initiatives

### Continue Current Momentum

- › Continue One SEI strategy
- › Execute on current pipeline
- › Execute across all segments: Alts, traditional, global, SEI Archway

### Market Expansion

- › Private Equity, Credit, Infrastructure, Private Debt, Real Estate
- › LP and GP Services
- › Global Opportunity

### Front-Office Platforms / New Solutions

- › Front-Office Platform – End Investor-focused
- › Data and Analytics – Insight and Action
- › GRC, IT Services
- › APIs

### Maximize Client Relationships

- › Service Model Expansion
- › Focused “Land and Expand” strategy across alts, traditional and global
- › Our platform allows us to be the “integrator”

The background of the slide is a photograph of a modern, multi-story glass building. The building's facade is composed of large glass panels that reflect the sky and surrounding environment. Two prominent windows are visible: one on the left showing two people in business attire engaged in a conversation, and another on the right displaying a collection of small, white, decorative objects on shelves. The image is partially overlaid by a blue diagonal shape in the top left corner and a white diagonal shape in the bottom right corner.

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# Investment Advisors

**Wayne Withrow**

INVESTMENT ADVISORS

# Current overview\*

	<b>AUM: \$67.7B</b>
	<b>Advisors: 7,400</b>
	<b>Accounts: 354,000</b>

\*Past performance is not indicative of future results.

## Themes

- › Focus on increasing sales momentum
- › Reposition advisor offering
  - Capitalize on SWP technology enablement
  - Continue evolution of business model

# Investment advisor headwinds are SEI's tailwinds

## Headwinds

- › Growth of passive investing
- › Fee compression
- › Regulatory environment
- › Consumer empowerment

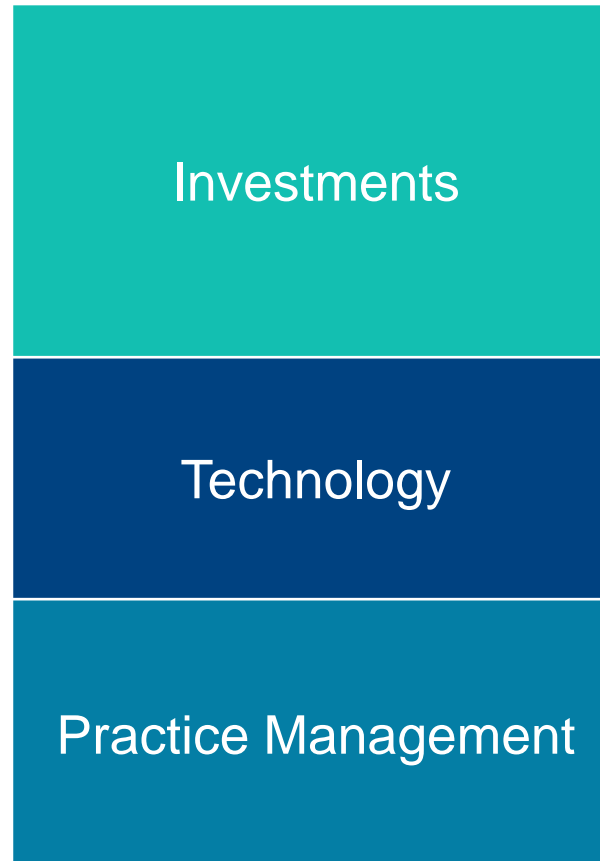
## Tailwinds

- › The demise of commissions
- › Industry move to fee-based

CAPITALIZE ON SWP TECHNOLOGY ENABLEMENT

# 2015: World-class, manager-of-managers solution supported by technology

## 2015 Positioning

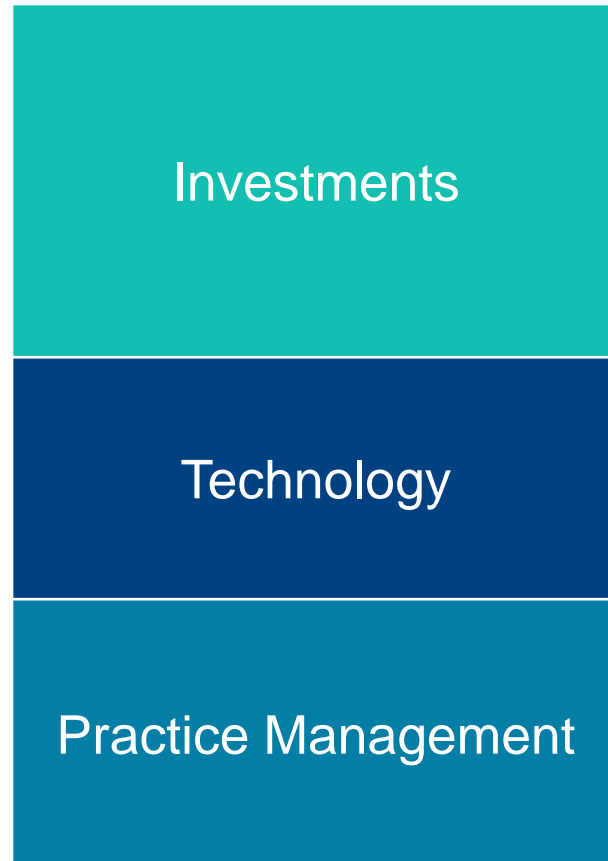


CAPITALIZE ON SWP TECHNOLOGY ENABLEMENT

## 2019: Independent Advisor Solutions

World-class technology to meet today's investment needs

2015 Positioning

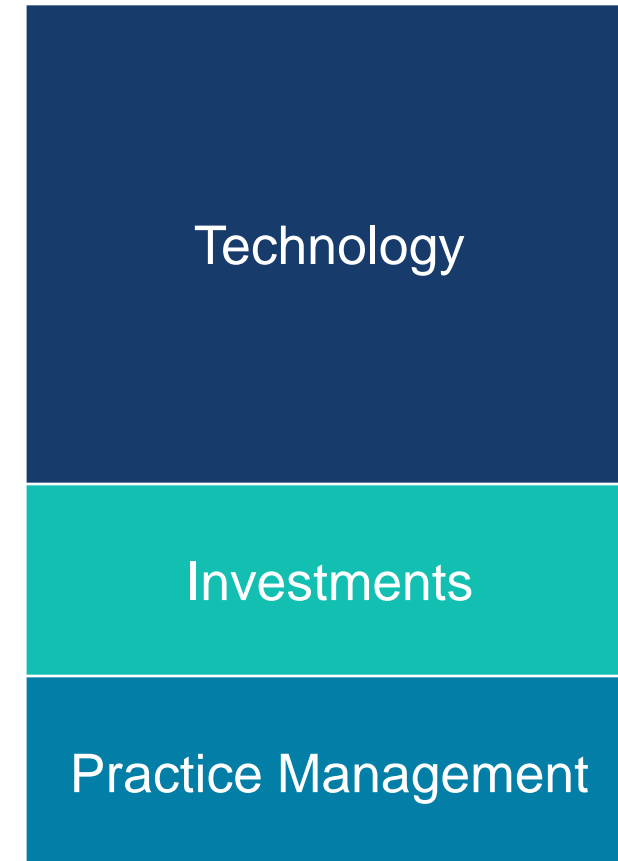


SEI WEALTH  
PLATFORM<sup>SM</sup>

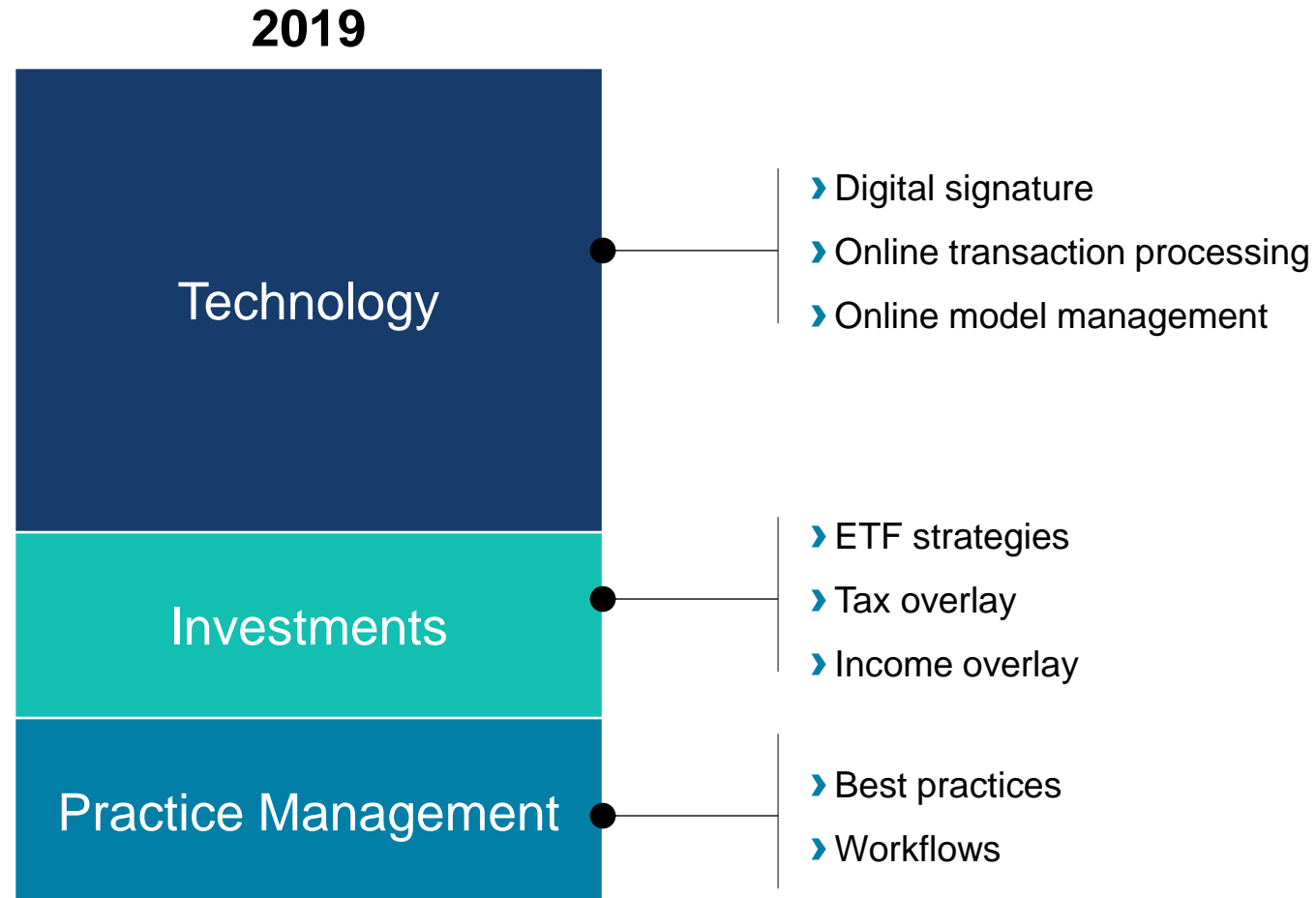
ACCOUNT MIGRATION

BUSINESS MODEL  
MIGRATION

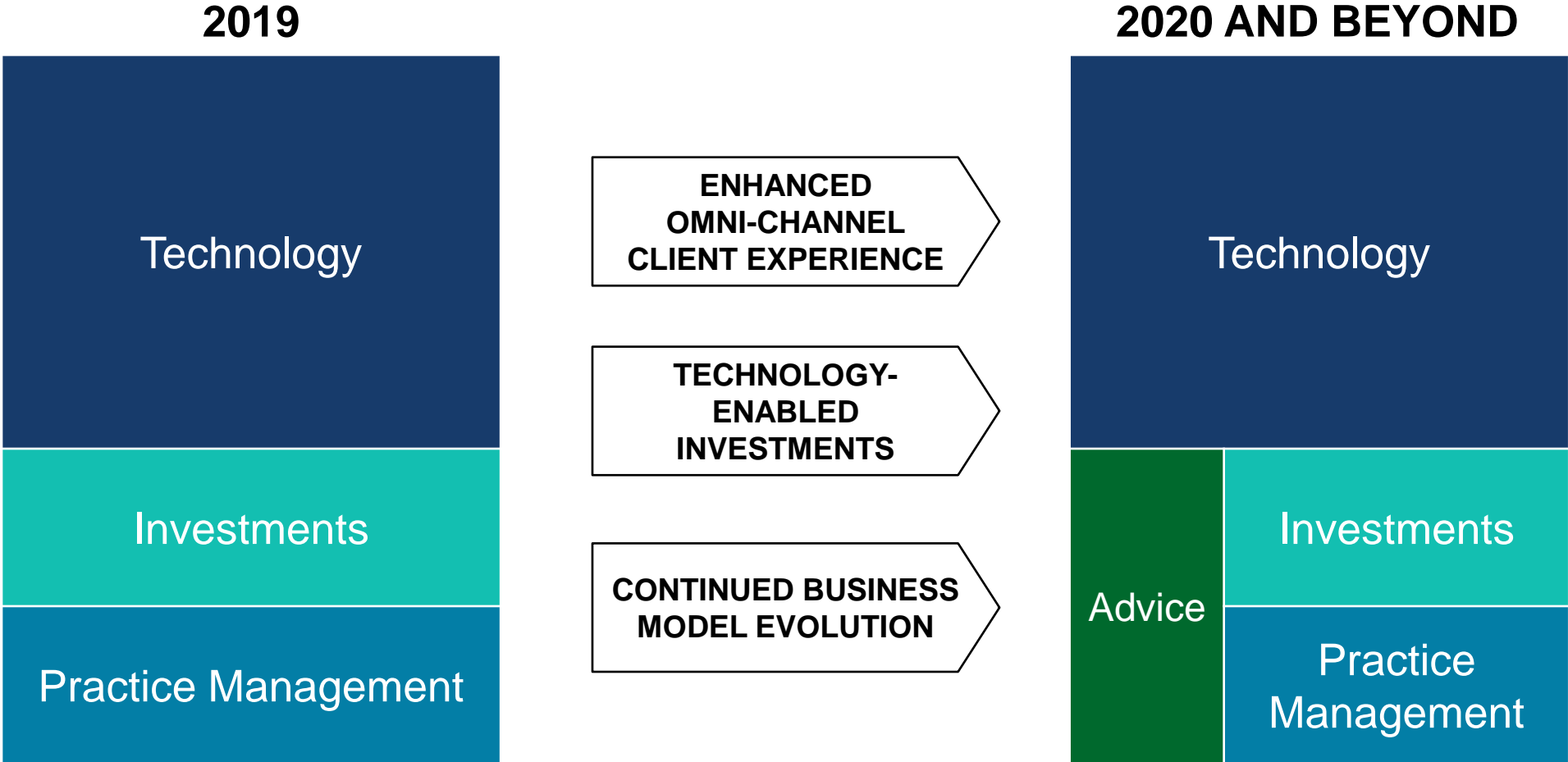
2019



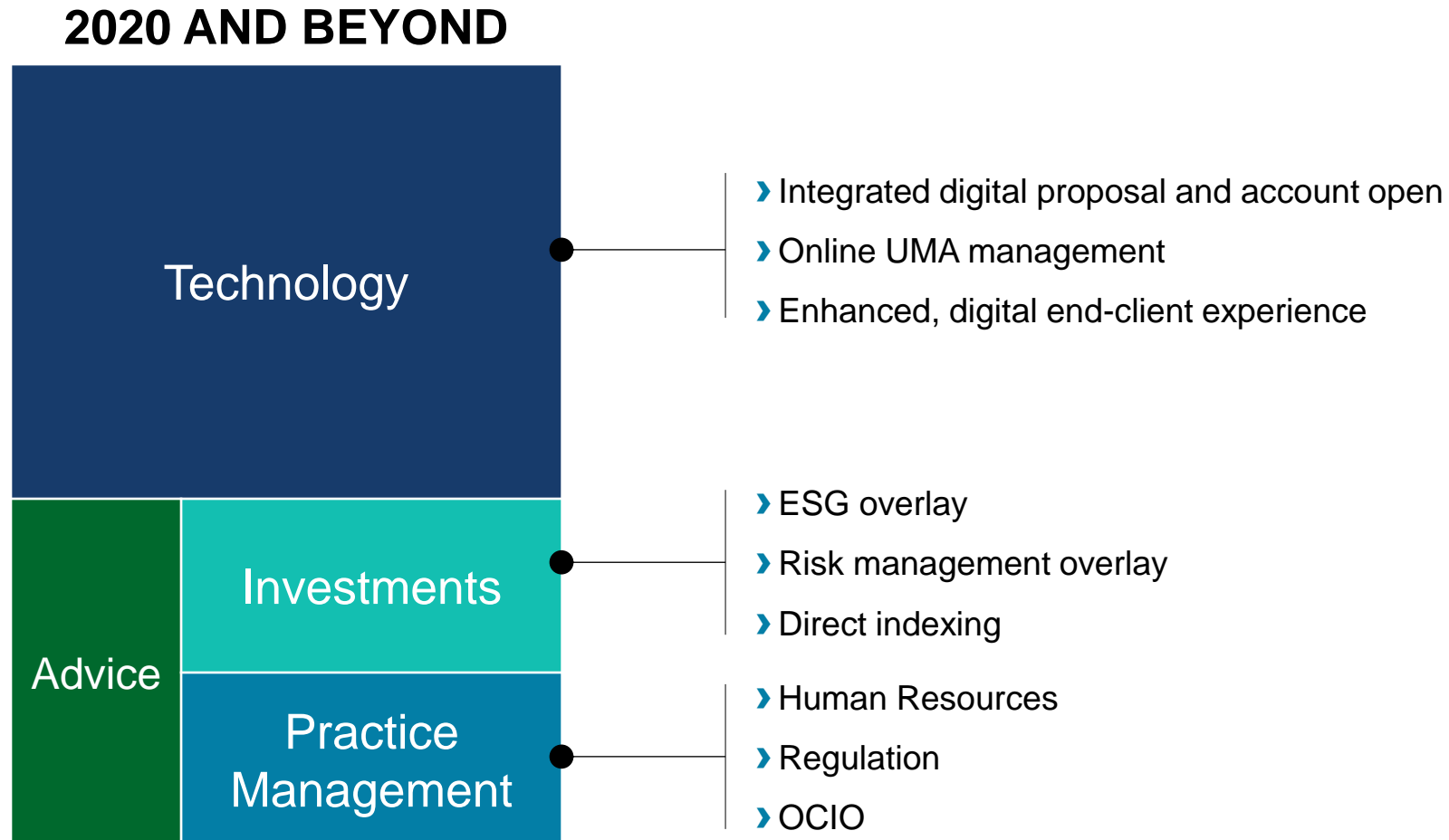
# World-class technology to meet today's investment needs



# World-class technology to meet today's investment needs



# World-class, technology-enabled investment advice



## GROWTH STRATEGIES

# Focus on growth

- Attract advisors looking for a customizable, open-architecture, turnkey technology solution
- Offer unbundled advice-centric investments
- Capture the market for advisors seeking both solutions
- Make bundled solution attractive to larger clients



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# Institutional Investors

Paul Klauder

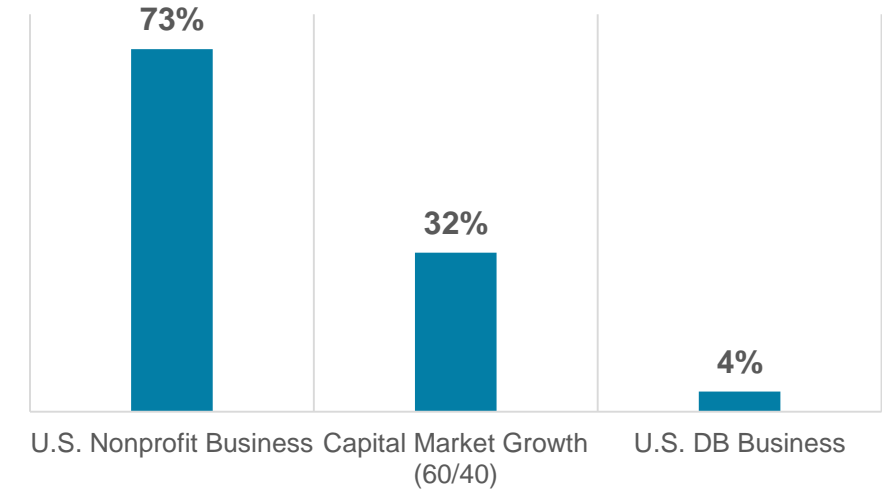
## INSTITUTIONAL INVESTOR UNIT

# Current Overview\*

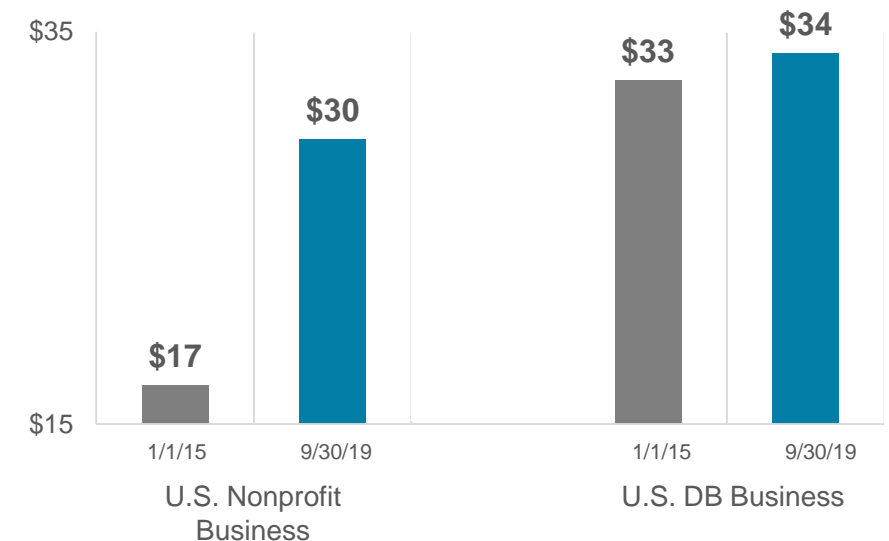
- ▶ Leading provider of OCIO / FM globally:  
**\$89 billion** AUM and **480 clients**
- ▶ Diversifying business, from U.S. Corporate DB, to long-term, global growth markets
  - Foundations and Endowments (\$3 trillion marketplace; 8,000 suspects)
  - Healthcare (\$600 billion marketplace; 500 suspects)
  - Government and Union DB (\$6 trillion marketplace; 6,000 suspects)
  - Insurance (\$4 trillion marketplace; 600 suspects)
  - Defined Contribution (\$8 trillion marketplace; 600 suspects)
  - Global Markets (\$6 trillion marketplace; 2,000 suspects)
- ▶ Total growth has been a challenge over the last 5 years, but sizeable growth has occurred in the U.S. nonprofit business

### AUM % GROWTH

■ Percentage Growth (1/1/2015 - 9/30/2019)



### AUM IN BILLIONS



## HEADWINDS / TAILWINDS

# North America

### Headwinds

- › Acquisitions / mergers
- › DB lump sums / partial curtailments
- › Competition / lower OCIO fees
- › Emergence of OCIO search consultants
- › Formal buying process vs. SEI leading the selling process

### Tailwinds

- › Referenceable clients
- › Industry leader: \$89 billion / 480 clients (210 > 10 years)
- › Pivot to longer-term markets
- › Spend a lot of time with clients / push referrals
- › Canadian market accepting delegation

## HEADWINDS / TAILWINDS

# EMEA & Asia

### Headwinds

- › Fee compression due to competition
- › OCIO / FM buying process controlled by search consultants
- › Buy-ins / buy-outs
- › Acquisition / mergers
- › No healthcare market and E&F market is much smaller than U.S.

### Tailwinds

- › Referenceable clients
- › U.K. fiduciary management going up-market (CMA Review is helping here)
- › U.K. DC (Master Trust authorization)
- › U.K. E&F
- › Insurance market embracing OCIO / partial delegation

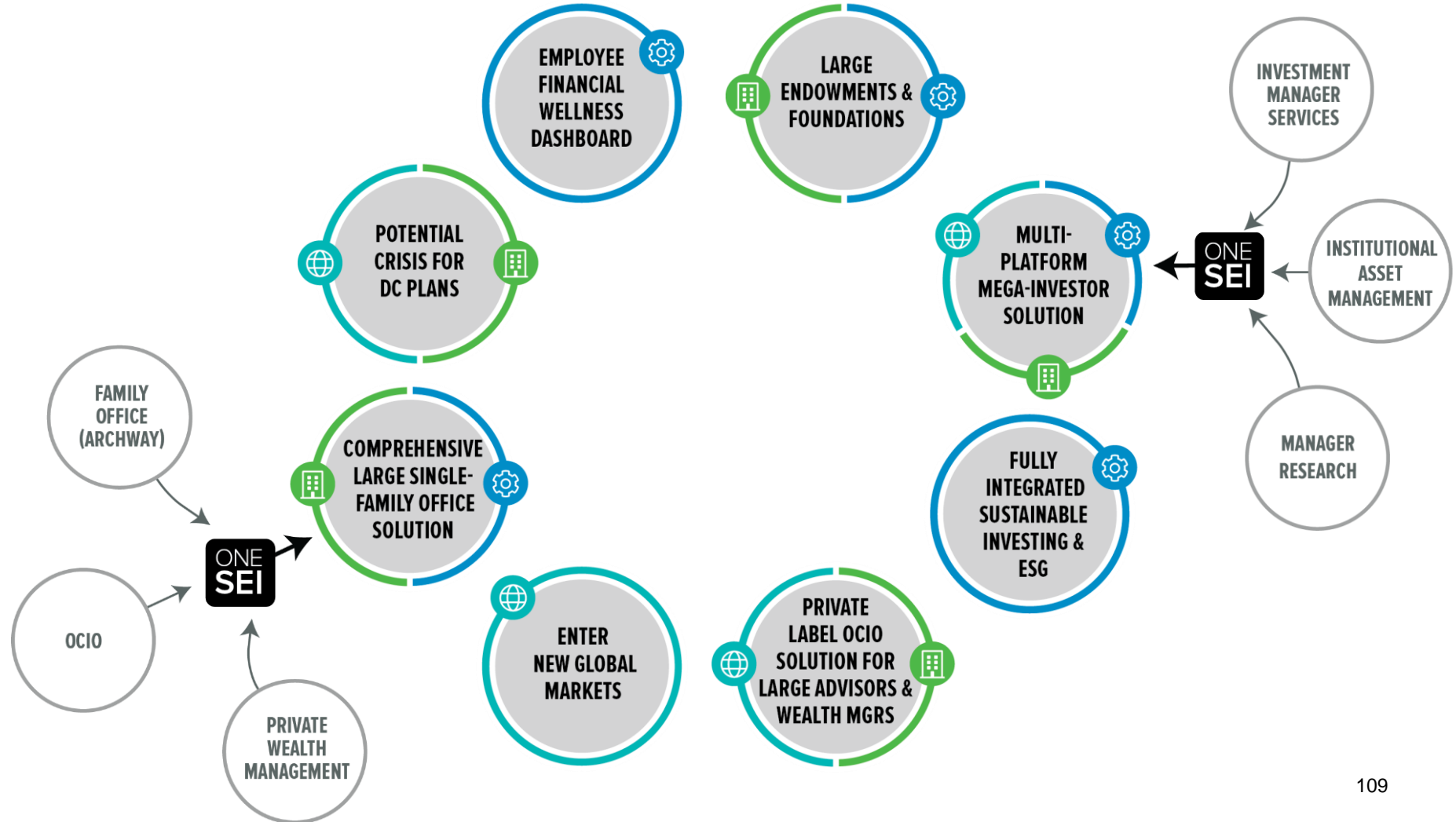
## STRATEGIC GROWTH INITIATIVES

# Focused on delivering combined SEI platforms into multiple markets (ONE SEI)

 **PLATFORM**  
FOCUSED

 **SEGMENT**  
FOCUSED

 **GEOGRAPHY**  
FOCUSED



## Large Endowment & Foundations

- › Formal market review under way in this very competitive market segment
- › Emerging trend of OCIO being consumed by **\$300 million to \$3 billion E&F institutions**
- › “Boutique” providers of OCIO have cache in this market
- › **Size, scale, resources** and **track record** still matter and are important criteria
- › Potential outcomes from the market review:
  - Change in positioning
  - Hiring industry-focused talent
  - Evaluation of a lift-out or joint venture, or competitor assessments
  - Improving diversity, investment talent and ESG / sustainable investing capabilities

## INSTITUTIONAL INVESTOR SEGMENT

### Summary

- › Effectively managing through the decline of the U.S. DB market
- › Position the new business focus on growth markets
- › Consolidation or going concern questions are real in this crowded space (e.g. TIAA OCIO)
  - **Size, scale, resources** and **track record** will prevail
- › Diversifying the business outside of OCIO and integrating ONE SEI mindset



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# Panel Discussion

Dennis McGonigle

# Forward-looking statements

This presentation contains forward-looking statements within the meaning of the rules and regulations of the Securities and Exchange Commission. In some cases you can identify forward-looking statements by the words “may”, “will”, “expect”, “plan”, “believe” and “continue” or “appear.” Our forward-looking statements include discussions about future opportunities, solutions, platforms, operations, strategies and financial results, including:

- our position in the financial services ecosystem,
- our focus on long-term growth and initiatives and strategies for growth,
- the timing of our introduction, if any, of new capabilities, platforms or solutions,
- our ability to unlock the power and potential of our assets,
- the potential revenue that may be generated by our strategic initiatives,
- our expectations with respect to industry trends,
- our ability to turn take advantage of potential opportunities,
- the new and adjacent platforms on which we will focus and seek to invest,
- our plans for resource allocation,
- the new markets and/or geographies that we may enter and the size of the relevant opportunities,
- our expectations as to the degree to which consumers will adopt our current and potential future offerings,
- the degree to which we will apply advanced technologies, and
- the degree to which our strategies will create opportunities for growth and value.

You should not place undue reliance on our forward-looking statements as they are based on the current beliefs and expectations of our management and subject to significant risks and uncertainties many of which are beyond our control or are subject to change. Although we believe the assumptions upon which we base our forward-looking statements are reasonable, they could be inaccurate. Some of the risks and important factors that could cause actual results to differ from those described in our forward-looking statements can be found in the “Risk Factors” section of our Annual Report on Form 10 –K for the year ended December 31, 2018, filed with the Securities and Exchange Commission and available on our website at <https://www.seic.com/investor-relations> and on the Securities and Exchange Commission’s website ([www.sec.gov](http://www.sec.gov)). There may be additional risks that we do not presently know or that we currently believe are immaterial which could also cause actual results to differ from those contained in our forward-looking statements. We do not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.

A photograph of a modern glass building facade. The image shows multiple levels of the building with glass railings and large windows. Inside the windows, two people are seen talking, and a display case filled with small white objects is visible. The image is partially covered by blue geometric shapes in the top left and top right corners.

# ONE SEI

**SEI** New ways.  
New answers.®

# Thank You