

# NEWS FROM SEI

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**FOR IMMEDIATE RELEASE**

## SEI REPORTS FIRST-QUARTER 2012 FINANCIAL RESULTS

**OAKS, Pa., May 2, 2012** -- SEI Investments Company (NASDAQ:SEIC) today announced financial results for first-quarter 2012. Diluted earnings per share were \$.28 in first-quarter 2012 compared to \$.31 in first-quarter 2011.

### **Consolidated Overview**

(In thousands, except earnings per share)

For the Three Months

Ended March 31,

	<u>2012</u>	<u>2011</u>	<u>%</u>
Revenues	<b>\$237,898</b>	\$232,493	2%
Net Income attributable to SEI	<b>49,965</b>	57,728	(13%)
Diluted Earnings Per Share	<b>\$0.28</b>	\$0.31	(10%)

“Strong new sales and improving revenues over fourth-quarter 2011 drove first-quarter 2012 results,” said Alfred P. West, Jr., SEI Chairman and CEO.

“Despite uncertainty in the financial markets, we are seeing buyers return to our markets. During 2012, we will continue to focus on sales results, improving productivity and service quality, and increasing profits. We are confident that the investments we are making will enable us to significantly increase shareholder value.”

## Summary of First-Quarter Results by Business Segment

(In thousands)	For the Three Month Period		
	Ended March 31,		
	<u>2012</u>	<u>2011</u>	<u>%</u>
Private Banks:			
Revenues	\$87,988	\$86,709	1%
Expenses	<u>87,517</u>	<u>82,403</u>	6%
Operating Profit	\$471	\$4,306	(89%)
Operating Margin	1%	5%	
Investment Advisors:			
Revenues	49,468	48,108	3%
Expenses	<u>29,301</u>	<u>27,040</u>	8%
Operating Profit	20,167	21,068	(4%)
Operating Margin	41%	44%	
Institutional Investors:			
Revenues	53,317	53,185	-
Expenses	<u>28,100</u>	<u>26,953</u>	4%
Operating Profit	25,217	26,232	(4%)
Operating Margin	47%	49%	
Investment Managers:			
Revenues	46,211	43,441	6%
Expenses	<u>30,426</u>	<u>27,999</u>	9%
Operating Profit	15,785	15,442	2%
Operating Margin	34%	36%	
Investments in New Businesses:			
Revenues	914	1,050	(13%)
Expenses	<u>3,698</u>	<u>3,125</u>	18%
Operating Loss	(2,784)	(2,075)	34%
Operating Margin	N/A	N/A	
Totals:			
Revenues	\$237,898	\$232,493	2%
Expenses	179,042	167,520	7%
Corporate overhead expenses	11,082	10,648	4%
Noncontrolling interest reflected in segments	<u>(315)</u>	<u>(272)</u>	N/A
Income from operations	\$48,089	\$54,597	(12%)

### **First-Quarter Business Commentary:**

- Revenues increased in first-quarter 2012 as compared to first-quarter 2011 and to fourth-quarter 2011 due to an increase in Asset management, administrative, and distribution fee revenues from improved cash-flows and market appreciation in first-quarter 2012. Our average assets under management, excluding LSV, increased \$9.6 billion, or eight percent, to \$124.1 billion in the first-quarter 2012 as compared to \$114.5 billion during the first-quarter 2011 (See attached Ending and Average Asset Balances schedules for further details).
- Sales events, net of client losses, during first-quarter 2012 totaled approximately \$26.1 million and are expected to generate net annualized recurring revenues of approximately \$23.5 million when contract values are fully realized. These sales events resulted in an increase in sales compensation expense when compared to first-quarter 2011 of \$1.8 million.
- Total consolidated expenses in first-quarter 2012 include approximately an additional \$1.8 million in fees for other asset management distribution costs and employee severance costs.
- Net income attributable to SEI includes gains from SIV securities of \$2.9 million in first-quarter 2012 compared to gains of \$6.9 million in first-quarter 2011.
- The effective tax rates were 37.2 percent in the first-quarter 2012, 37.1 percent in the first-quarter 2011 and 34.7 percent in the fourth-quarter 2011. The increase in the tax rate in the first-quarter 2012 as compared to the fourth-quarter 2011 was due to the expiration of the research and development tax credit in first-quarter 2012 and tax planning strategies which benefited the tax rate in fourth-quarter 2011.
- In the first-quarter 2012, SEI purchased 1.8 million shares of its common stock for \$37.7 million.

## **Earnings Conference Call**

A conference call to review earnings is scheduled for 2:00 PM ET on May 2, 2012. Investors may listen to the call at [www.seic.com/investors](http://www.seic.com/investors) or listen at [www.earnings.com](http://www.earnings.com), a service of Thomson Streetevents. The call may also be accessed at numerous financial services web sites including AOL and Yahoo. Investors may also listen to replays at these web sites, or by telephone at (USA) 1-800-475-6701; (International) 320-365-3844, access code 245414.

## **About SEI**

SEI (NASDAQ:SEIC) is a leading global provider of investment processing, fund processing, and investment management business outsourcing solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of March 31, 2012, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$428 billion in mutual fund and pooled or separately managed assets, including \$189 billion in assets under management and \$239 billion in client assets under administration. For more information, visit [www.seic.com](http://www.seic.com).

Many of the statements in this release may be considered "forward looking statements" and include discussions about future operations, strategies and financial results. Forward-looking statements are based upon estimates and assumptions that involve risks and uncertainties, many of which are beyond our control or are subject to change. Although we believe our assumptions are reasonable, they could be inaccurate. Our actual future revenues and income could differ materially from our expected results. We have no obligation to publicly update or revise any forward-looking statements.

**SEI INVESTMENTS COMPANY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Asset management, admin. and distribution fees	<b>\$172,954</b>	\$167,504
Information processing and software servicing fees	<b>56,200</b>	55,824
Transaction-based and trade execution fees	<b>8,744</b>	9,165
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Total revenues	<b>237,898</b>	232,493
Subadvisory, distribution and other asset mgmt costs	<b>28,467</b>	26,296
Software royalties and other information processing costs	<b>6,477</b>	7,017
Brokerage commissions	<b>6,307</b>	6,581
Compensation, benefits and other personnel	<b>78,543</b>	71,025
Stock-based compensation	<b>4,033</b>	3,732
Consulting, outsourcing and professional fees	<b>26,955</b>	25,998
Data processing and computer related	<b>11,465</b>	11,303
Facilities, supplies and other costs	<b>14,508</b>	14,102
Amortization	<b>7,622</b>	6,231
Depreciation	<b>5,432</b>	5,611
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Total expenses	<b>189,809</b>	177,896
Income from operations	<b>48,089</b>	54,597
Net gain on investments	<b>3,205</b>	7,278
Interest and dividend income	<b>1,487</b>	1,544
Interest expense	<b>(161)</b>	(204)
Equity in earnings of unconsolidated affiliate	<b>27,330</b>	28,949
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Net income before income taxes	<b>79,950</b>	92,164
Income taxes	<b>29,715</b>	34,124
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Net income	<b>50,235</b>	58,040
Less: Net income attributable to the noncontrolling interest	<b>(270)</b>	(312)
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Net income attributable to SEI	<b>\$49,965</b>	\$57,728
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Diluted earnings per common share	<b>\$0.28</b>	\$0.31
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Shares used to calculate diluted earnings per common share	<b>177,668</b>	188,495
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Basic earnings per common share	<b>\$0.28</b>	\$0.31
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Shares used to calculate basic earnings per common share	<b>176,348</b>	185,787
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**SEI INVESTMENTS COMPANY**  
**CONDENSED BALANCE SHEETS**  
(In thousands)  
(Unaudited)

	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
<b>Assets</b>		
Cash and short-term investments	\$388,127	\$420,986
Restricted cash	6,000	6,000
Receivables, net	182,093	167,909
Securities owned	21,053	20,949
Other current assets	<u>20,066</u>	<u>19,107</u>
Total current assets	617,339	634,951
Property and equipment, net	136,431	129,548
Marketable securities	140,675	139,333
Capitalized software, net	311,229	309,133
Investment in unconsolidated affiliate	66,691	60,954
Other assets, net	<u>21,261</u>	<u>20,640</u>
Total assets	<u><u>\$1,293,626</u></u>	<u><u>\$1,294,559</u></u>
<b>Liabilities</b>		
Current liabilities	\$118,877	\$151,073
Deferred income taxes	92,477	93,751
Other Long-term liabilities	10,832	8,276
Total SEI Investments Company shareholders' equity	1,054,544	1,025,316
Noncontrolling interest	<u>16,896</u>	<u>16,143</u>
<b>Total Equity</b>	<u>1,071,440</u>	<u>1,041,459</u>
Total liabilities and equity	<u><u>\$1,293,626</u></u>	<u><u>\$1,294,559</u></u>

**SEI INVESTMENTS COMPANY**  
**ENDING ASSET BALANCES**  
(In millions)  
(Unaudited)

	Mar. 31, <u>2011</u>	Jun. 30, <u>2011</u>	Sept. 30, <u>2011</u>	Dec. 31, <u>2011</u>	Mar. 31, <u>2012</u>
Private Banks:					
Equity/Fixed Income prgms.	\$14,809	\$16,720	\$15,442	\$16,435	\$17,180
Collective Trust Fund prgms.	576	504	476	450	435
Liquidity funds	<u>5,217</u>	<u>4,918</u>	<u>5,529</u>	<u>5,553</u>	<u>5,549</u>
Total assets under mgmt.	\$20,602	\$22,142	\$21,447	\$22,438	\$23,164
Client assets under admin.	<u>11,227</u>	<u>10,994</u>	<u>9,845</u>	<u>10,355</u>	<u>10,916</u>
Total assets	\$31,829	\$33,136	\$31,292	\$32,793	\$34,080
Investment Advisors:					
Equity/Fixed Income prgms.	\$28,296	\$28,410	\$24,757	\$26,639	\$29,722
Collective Trust Fund prgms.	1,618	1,499	1,392	1,298	1,199
Liquidity funds	<u>1,551</u>	<u>1,651</u>	<u>2,653</u>	<u>2,505</u>	<u>1,643</u>
Total assets under mgmt.	\$31,465	\$31,560	\$28,802	\$30,442	\$32,564
Institutional Investors:					
Equity/Fixed Income prgms.	\$51,287	\$51,180	\$46,259	\$49,051	\$54,537
Collective Trust Fund prgms.	608	482	510	492	424
Liquidity funds	<u>3,202</u>	<u>3,146</u>	<u>3,356</u>	<u>3,888</u>	<u>3,725</u>
Total assets under mgmt.	\$55,097	\$54,808	\$50,125	\$53,431	\$58,686
Investment Managers:					
Equity/Fixed Income prgms.	\$37	\$50	\$64	\$57	\$62
Collective Trust Fund prgms.	8,841	10,372	10,896	11,255	12,781
Liquidity funds	<u>139</u>	<u>179</u>	<u>195</u>	<u>152</u>	<u>147</u>
Total assets under mgmt.	\$9,017	\$10,601	\$11,155	\$11,464	\$12,990
Client assets under admin. (A)	<u>238,335</u>	<u>238,432</u>	<u>223,620</u>	<u>221,198</u>	<u>228,327</u>
Total assets	\$247,352	\$249,033	\$234,775	\$232,662	\$241,317
Investments in New Businesses:					
Equity/Fixed Income prgms.	\$598	\$558	\$490	\$515	\$568
Liquidity funds	<u>56</u>	<u>41</u>	<u>41</u>	<u>37</u>	<u>34</u>
Total assets under mgmt.	\$654	\$599	\$531	\$552	\$602
LSV Asset Management					
Equity/Fixed Income prgms.	\$62,370	\$60,626	\$49,444	\$53,712	\$60,607
Consolidated:					
Equity/Fixed Income prgms (B)	\$157,397	\$157,544	\$136,456	\$146,409	\$162,676
Collective Trust Fund prgms.	11,643	12,857	13,274	13,495	14,839
Liquidity funds	<u>10,165</u>	<u>9,935</u>	<u>11,774</u>	<u>12,135</u>	<u>11,098</u>
Total assets under mgmt.	\$179,205	\$180,336	\$161,504	\$172,039	\$188,613
Client assets under admin. (C)	<u>249,562</u>	<u>249,426</u>	<u>233,465</u>	<u>231,553</u>	<u>239,243</u>
Total assets	\$428,767	\$429,762	\$394,969	\$403,592	\$427,856

- (A) Client assets under administration in the Investment Managers segment include \$38.5 billion of assets balances that require limited services and therefore are at fee levels below our normal full service assets (as of March 31, 2012).
- (B) Equity/Fixed Income programs include \$2.6 billion of assets invested in various asset allocation funds at March 31, 2012.
- (C) In addition to the numbers presented, SEI also administers an additional \$4.6 billion in Funds of Funds assets (as of March 31, 2012) on which SEI does not earn an administration fee.

**SEI INVESTMENTS COMPANY**  
**AVERAGE ASSET BALANCES**  
(In millions)  
(Unaudited)

	1st Qtr <u>2011</u>	2nd Qtr <u>2011</u>	3rd Qtr <u>2011</u>	4th Qtr <u>2011</u>	1st Qtr <u>2012</u>
<b>Private Banks:</b>					
Equity/Fixed Income prgms.	\$14,170	\$16,176	\$16,592	\$16,624	\$17,116
Collective Trust Fund prgms.	593	543	505	464	436
Liquidity funds	<u>5,058</u>	<u>4,909</u>	<u>5,210</u>	<u>5,401</u>	<u>5,581</u>
Total assets under mgmt.	\$19,821	\$21,628	\$22,307	\$22,489	\$23,133
Client assets under admin.	<u>10,921</u>	<u>11,114</u>	<u>10,364</u>	<u>10,290</u>	<u>10,211</u>
Total assets	\$30,742	\$32,742	\$32,671	\$32,779	\$33,344
<b>Investment Advisors:</b>					
Equity/Fixed Income prgms.	\$27,841	\$28,502	\$26,658	\$26,094	\$28,426
Collective Trust Fund prgms.	1,687	1,544	1,442	1,314	1,238
Liquidity funds	<u>1,580</u>	<u>1,576</u>	<u>2,224</u>	<u>2,499</u>	<u>2,015</u>
Total assets under mgmt.	\$31,108	\$31,622	\$30,324	\$29,907	\$31,679
<b>Institutional Investors:</b>					
Equity/Fixed Income prgms.	\$50,392	\$51,567	\$49,115	\$48,504	\$52,270
Collective Trust Fund prgms.	608	554	505	500	427
Liquidity funds	<u>3,418</u>	<u>3,515</u>	<u>3,416</u>	<u>3,461</u>	<u>3,765</u>
Total assets under mgmt.	\$54,418	\$55,636	\$53,036	\$52,465	\$56,462
<b>Investment Managers:</b>					
Equity/Fixed Income prgms.	\$1	\$38	\$52	\$65	\$58
Collective Trust Fund prgms.	8,288	9,560	11,292	10,773	11,983
Liquidity funds	<u>210</u>	<u>165</u>	<u>200</u>	<u>219</u>	<u>190</u>
Total assets under mgmt.	\$8,499	\$9,763	\$11,544	\$11,057	\$12,231
Client assets under admin.	<u>237,376</u>	<u>241,423</u>	<u>236,953</u>	<u>224,633</u>	<u>224,547</u>
Total assets	\$245,875	\$251,186	\$248,497	\$235,690	\$236,778
<b>Investments in New Businesses:</b>					
Equity/Fixed Income prgms.	\$579	\$561	\$525	\$515	\$549
Liquidity funds	<u>61</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>39</u>
Total assets under mgmt.	\$640	\$603	\$567	\$557	\$588
<b>LSV Asset Management</b>					
Equity/Fixed Income prgms.	\$62,212	\$63,000	\$54,679	\$54,021	\$59,200
<b>Consolidated:</b>					
Equity/Fixed Income prgms	\$155,195	\$159,844	\$147,621	\$145,823	\$157,619
Collective Trust Fund prgms.	11,176	12,201	13,744	13,051	14,084
Liquidity funds	<u>10,327</u>	<u>10,207</u>	<u>11,092</u>	<u>11,622</u>	<u>11,590</u>
Total assets under mgmt.	\$176,698	\$182,252	\$172,457	\$170,496	\$183,293
Client assets under admin.	<u>248,297</u>	<u>252,537</u>	<u>247,317</u>	<u>234,923</u>	<u>234,758</u>
Total assets	\$424,995	\$434,789	\$419,774	\$405,419	\$418,051