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**FOR IMMEDIATE RELEASE**

## SEI REPORTS THIRD-QUARTER 2012 FINANCIAL RESULTS

*Strong Sales Results Continue*

**OAKS, Pa., October 24, 2012** -- SEI Investments Company (NASDAQ:SEIC) today announced financial results for third-quarter 2012. Diluted earnings per share were \$.29 in third-quarter 2012 compared to \$.27 in third-quarter 2011.

**Consolidated Overview**

(In thousands, except earnings per share)

	For the Three Months			For the Nine Months		
	Ended September 30,			Ended September 30,		
	<u>2012</u>	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>2011</u>	<u>%</u>
Revenues	\$251,752	\$233,227	8%	\$730,887	\$703,480	4%
Net Income attributable to SEI	50,743	49,232	3%	150,263	160,563	(6%)
Diluted Earnings Per Share	\$0.29	\$0.27	7%	\$0.85	\$0.86	(1%)

“Continued strong new business sales and growing revenue are the highlights of the third-quarter 2012,” said Alfred P. West, Jr., SEI Chairman and CEO.

“We continue to see growing acceptance of our solutions and services in all markets. We remain confident that the investments we have made and continue to make will significantly enhance long-term shareholder value.”

## Summary of Third-Quarter Results by Business Segment

(In thousands)	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2012	2011	%	2012	2011	%
<b>Private Banks:</b>						
Revenues	\$92,076	\$87,697	5%	\$268,367	\$262,279	2%
Expenses	<u>91,209</u>	<u>85,893</u>	6%	<u>263,612</u>	<u>254,570</u>	4%
Operating Profit	\$867	\$1,804	(52%)	\$4,755	\$7,709	(38%)
Operating Margin	1%	2%		2%	3%	
<b>Investment Advisors:</b>						
Revenues	51,384	46,798	10%	150,227	144,674	4%
Expenses	<u>30,114</u>	<u>28,051</u>	7%	<u>88,440</u>	<u>82,825</u>	7%
Operating Profit	21,270	18,747	13%	61,787	61,849	-
Operating Margin	41%	40%		41%	43%	
<b>Institutional Investors:</b>						
Revenues	58,081	52,216	11%	167,293	160,132	4%
Expenses	<u>29,654</u>	<u>25,524</u>	16%	<u>86,494</u>	<u>79,883</u>	8%
Operating Profit	28,427	26,692	7%	80,799	80,249	1%
Operating Margin	49%	51%		48%	50%	
<b>Investment Managers:</b>						
Revenues	49,311	45,585	8%	142,235	133,478	7%
Expenses	<u>32,122</u>	<u>29,412</u>	9%	<u>92,711</u>	<u>86,693</u>	7%
Operating Profit	17,189	16,173	6%	49,524	46,785	6%
Operating Margin	35%	35%		35%	35%	
<b>Investments in New Businesses:</b>						
Revenues	900	931	(3%)	2,765	2,917	(5%)
Expenses	<u>3,698</u>	<u>2,429</u>	52%	<u>11,080</u>	<u>8,474</u>	31%
Operating Loss	(2,798)	(1,498)	N/A	(8,315)	(5,557)	N/A
Operating Margin	N/A	N/A		N/A	N/A	
<b>Totals:</b>						
Revenues	\$251,752	\$233,227	8%	\$730,887	\$703,480	4%
Expenses	186,797	171,309	9%	542,337	512,445	6%
Corporate overhead expenses	11,668	11,155	5%	33,830	32,523	4%
Noncontrolling interest reflected in segments	<u>(203)</u>	<u>(373)</u>	N/A	<u>(657)</u>	<u>(1,178)</u>	N/A
Income from operations	\$53,490	\$51,136	5%	\$ 155,377	\$ 159,690	(3%)

### Third-Quarter Business Commentary:

- Revenues increased in third-quarter 2012 as compared to both third-quarter 2011 and second-quarter 2012. This was driven by an increase in Asset management, administration, and distribution fee revenues resulting from increased cash flows from new and existing clients and market appreciation in 2012.
- Our average assets under management, excluding LSV, increased \$14.8 billion, or 13 percent, to \$132.6 billion in the third-quarter 2012, as compared to \$117.8 billion during the third-quarter 2011, and increased \$6.0 billion, or five percent, as compared to \$126.6 billion during the second-quarter 2012 (See attached Ending and Average Asset Balances schedules for further details).
- Sales events, net of client losses, during third-quarter 2012 totaled approximately \$23.7 million and are expected to generate net annualized recurring revenues of approximately \$21.4 million when contract values are fully realized.
- Income from LSV increased in third-quarter 2012 to \$24.9 million as compared to third-quarter 2011 and second-quarter 2012 due to an increase in assets under management. Our ownership interest was 40 percent in second- and third-quarter 2012 and 41 percent in third-quarter 2011.
- In the third-quarter 2012, SEI decided to discontinue the use of specific functionality within the Global Wealth Platform and incurred \$2.7 million of amortization expense related to the remaining net book value of this component. This expense was recognized in the Private Banks segment. Without this expense Private Banks profits for the quarter would have been \$3.5 million, which is comparable to second-quarter 2012.
- Net income attributable to SEI includes gains from SIV securities of \$3.4 million in third-quarter 2012 compared to losses of \$0.8 million in third-quarter 2011 and a gain of \$1.1 million in second-quarter 2012.
- The effective tax rates were 39.0 percent in the third-quarter 2012 and 33.8 percent in the third-quarter 2011. The increase in the tax rate was due to the accrual of taxes on the cumulative undistributed earnings of SEI Asset Korea, offset by certain tax planning strategies which benefited the tax rate in third-quarter 2011. As a result of the sale of SEI Asset Korea, the Company no longer considers the undistributed earnings to be indefinitely reinvested and therefore accrued U.S. deferred taxes on the cumulative undistributed earnings of SEI Asset Korea.
- In the third-quarter 2012, SEI purchased 1.55 million shares of its common stock for \$33.6 million.

## **Earnings Conference Call**

A conference call to review earnings is scheduled for 2:00 PM ET on October 24, 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 268471.

## **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 September 30, 2012, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$448 billion in mutual fund and pooled or separately managed assets, including \$195 billion in assets under management and \$253 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 September 30,</b>	
	<b>2012</b>	<b>2011</b>
Asset management, admin. and distribution fees	\$183,083	\$167,827
Information processing and software servicing fees	60,901	55,676
Transaction-based and trade execution fees	<u>7,768</u>	<u>9,724</u>
 Total revenues	 251,752	 233,227
Subadvisory, distribution and other asset mgmt costs	26,538	24,613
Software royalties and other information processing costs	6,185	6,703
Brokerage commissions	5,542	7,026
Compensation, benefits and other personnel	85,781	71,198
Stock-based compensation	3,879	3,424
Consulting, outsourcing and professional fees	27,314	30,183
Data processing and computer related	11,749	12,316
Facilities, supplies and other costs	15,129	14,274
Amortization	10,384	7,008
Depreciation	<u>5,761</u>	<u>5,346</u>
 Total expenses	 198,262	 182,091
 Income from operations	 53,490	 51,136
Net gain (loss) on investments	3,708	(1,418)
Interest and dividend income	1,490	1,400
Interest expense	(115)	(126)
Equity in earnings of unconsolidated affiliate	<u>24,928</u>	<u>23,908</u>
 Net income before income taxes	 83,501	 74,900
 Income taxes	 <u>32,415</u>	 <u>25,256</u>
 Net income	 <u>51,086</u>	 <u>49,644</u>
 Less: Net income attributable to the noncontrolling interest	 <u>(343)</u>	 <u>(412)</u>
 Net income attributable to SEI	 <u>\$50,743</u>	 <u>\$49,232</u>
 Diluted earnings per common share	 <u>\$0.29</u>	 <u>\$0.27</u>
 Shares used to calculate diluted earnings per common share	 <u>175,369</u>	 <u>182,580</u>
 Basic earnings per common share	 <u>\$0.29</u>	 <u>\$0.27</u>
 Shares used to calculate basic earnings per common share	 <u>173,429</u>	 <u>181,718</u>

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

	<b>Nine Months Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>
Asset management, admin. and distribution fees	\$532,650	\$507,662
Information processing and software servicing fees	174,355	167,535
Transaction-based and trade execution fees	23,882	28,283
	<hr/>	<hr/>
Total revenues	730,887	703,480
Subadvisory, distribution and other asset mgmt costs	80,889	77,213
Software royalties and other information processing costs	17,890	20,908
Brokerage commissions	17,483	20,206
Compensation, benefits and other personnel	244,855	214,836
Stock-based compensation	11,777	10,966
Consulting, outsourcing and professional fees	80,598	85,579
Data processing and computer related	34,873	35,229
Facilities, supplies and other costs	44,909	42,474
Amortization	25,413	20,031
Depreciation	16,823	16,348
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Total expenses	575,510	543,790
Income from operations	155,377	159,690
Net gain on investments	7,577	3,912
Interest and dividend income	4,417	4,380
Interest expense	(389)	(485)
Equity in earnings of unconsolidated affiliate	74,970	82,387
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Net income before income taxes	241,952	249,884
Income taxes	90,892	88,087
	<hr/>	<hr/>
Net income	151,060	161,797
	<hr/>	<hr/>
Less: Net income attributable to the noncontrolling interest	(797)	(1,234)
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Net income attributable to SEI	\$150,263	\$160,563
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Diluted earnings per common share	\$0.85	\$0.86
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Shares used to calculate diluted earnings per common share	176,317	186,032
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Basic earnings per common share	\$0.86	\$0.87
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Shares used to calculate basic earnings per common share	174,869	184,030
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**SEI INVESTMENTS COMPANY**  
**CONDENSED BALANCE SHEETS**  
(In thousands)  
(Unaudited)

	<u>September 30,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
<b>Assets</b>		
Cash and short-term investments	\$397,677	\$420,986
Restricted cash	6,000	6,000
Receivables, net	226,194	167,909
Securities owned	21,081	20,949
Other current assets	<u>19,527</u>	<u>19,107</u>
Total current assets	670,479	634,951
Property and equipment, net	131,889	129,548
Marketable securities	132,722	139,333
Capitalized software, net	310,168	309,133
Investment in unconsolidated affiliate	63,618	60,954
Other assets, net	<u>23,528</u>	<u>20,640</u>
Total assets	<u><u>\$1,332,404</u></u>	<u><u>\$1,294,559</u></u>
 <b>Liabilities</b>		
Current liabilities	\$126,535	\$151,073
Deferred income taxes	95,713	93,751
Other Long-term liabilities	11,079	8,276
Total SEI Investments Company shareholders' equity	1,081,304	1,025,316
Noncontrolling interest	<u>17,773</u>	<u>16,143</u>
<b>Total Equity</b>	<u>1,099,077</u>	<u>1,041,459</u>
Total liabilities and equity	<u><u>\$1,332,404</u></u>	<u><u>\$1,294,559</u></u>

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

	Sept. 30, <u>2011</u>	Dec. 31, <u>2011</u>	Mar. 31, <u>2012</u>	Jun. 30, <u>2012</u>	Sept. 30, <u>2012</u>
<b>Private Banks:</b>					
Equity/Fixed Income prgms.	\$15,442	\$16,435	\$17,180	\$16,848	\$17,960
Collective Trust Fund prgms.	476	450	435	335	147
Liquidity funds	<u>5,529</u>	<u>5,553</u>	<u>5,549</u>	<u>5,063</u>	<u>5,342</u>
Total assets under mgmt.	\$21,447	\$22,438	\$23,164	\$22,246	\$23,449
Client assets under admin.	<u>9,845</u>	<u>10,355</u>	<u>10,916</u>	<u>10,719</u>	<u>11,611</u>
Total assets	\$31,292	\$32,793	\$34,080	\$32,965	\$35,060
<b>Investment Advisors:</b>					
Equity/Fixed Income prgms.	\$24,757	\$26,639	\$29,722	\$29,153	\$30,864
Collective Trust Fund prgms.	1,392	1,298	1,199	705	370
Liquidity funds	<u>2,653</u>	<u>2,505</u>	<u>1,643</u>	<u>1,880</u>	<u>1,868</u>
Total assets under mgmt.	\$28,802	\$30,442	\$32,564	\$31,738	\$33,102
<b>Institutional Investors:</b>					
Equity/Fixed Income prgms.	\$46,259	\$49,051	\$54,537	\$55,548	\$59,852
Collective Trust Fund prgms.	510	492	424	415	153
Liquidity funds	<u>3,356</u>	<u>3,888</u>	<u>3,725</u>	<u>2,958</u>	<u>3,272</u>
Total assets under mgmt.	\$50,125	\$53,431	\$58,686	\$58,921	\$63,277
<b>Investment Managers:</b>					
Equity/Fixed Income prgms.	\$64	\$57	\$62	\$61	\$65
Collective Trust Fund prgms.	10,896	11,255	12,781	13,004	15,433
Liquidity funds	<u>195</u>	<u>152</u>	<u>147</u>	<u>226</u>	<u>396</u>
Total assets under mgmt.	\$11,155	\$11,464	\$12,990	\$13,291	\$15,894
Client assets under admin. (A)	<u>223,620</u>	<u>221,198</u>	<u>228,327</u>	<u>231,549</u>	<u>240,965</u>
Total assets	\$234,775	\$232,662	\$241,317	\$244,840	\$256,859
<b>Investments in New Businesses:</b>					
Equity/Fixed Income prgms.	\$490	\$515	\$568	\$551	\$534
Liquidity funds	<u>41</u>	<u>37</u>	<u>34</u>	<u>30</u>	<u>29</u>
Total assets under mgmt.	\$531	\$552	\$602	\$581	\$563
<b>LSV Asset Management</b>					
Equity/Fixed Income prgms.	\$49,444	\$53,712	\$60,607	\$54,922	\$58,886
<b>Total:</b>					
Equity/Fixed Income prgms (B)	\$136,456	\$146,409	\$162,676	\$157,083	\$168,161
Collective Trust Fund prgms.	13,274	13,495	14,839	14,459	16,103
Liquidity funds	<u>11,774</u>	<u>12,135</u>	<u>11,098</u>	<u>10,157</u>	<u>10,907</u>
Total assets under mgmt.	\$161,504	\$172,039	\$188,613	\$181,699	\$195,171
Client assets under admin. (C)	<u>233,465</u>	<u>231,553</u>	<u>239,243</u>	<u>242,268</u>	<u>252,576</u>
Total assets	\$394,969	\$403,592	\$427,856	\$423,967	\$447,747

- (A) Client assets under administration in the Investment Managers segment include \$38.0 billion of assets balances that require limited services and therefore are at fee levels below our normal full service assets (as of September 30, 2012).
- (B) Equity/Fixed Income programs include \$2.8 billion of assets invested in various asset allocation funds at September 30, 2012.
- (C) In addition to the numbers presented, SEI also administers an additional \$4.6 billion in Funds of Funds assets (as of September 30, 2012) on which SEI does not earn an administration fee.



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

	3rd Qtr. <u>2011</u>	4th Qtr. <u>2011</u>	1st Qtr. <u>2012</u>	2nd Qtr. <u>2012</u>	3rd Qtr. <u>2012</u>
<b>Private Banks:</b>					
Equity/Fixed Income prgms.	\$16,592	\$16,624	\$17,116	\$16,794	\$17,527
Collective Trust Fund prgms.	505	464	436	396	230
Liquidity funds	<u>5,210</u>	<u>5,401</u>	<u>5,581</u>	<u>5,115</u>	<u>5,401</u>
Total assets under mgmt.	<u>\$22,307</u>	<u>\$22,489</u>	<u>\$23,133</u>	<u>\$22,305</u>	<u>\$23,158</u>
Client assets under admin.	<u>10,364</u>	<u>10,290</u>	<u>10,211</u>	<u>10,631</u>	<u>10,867</u>
Total assets	<u>\$32,671</u>	<u>\$32,779</u>	<u>\$33,344</u>	<u>\$32,936</u>	<u>\$34,025</u>
<b>Investment Advisors:</b>					
Equity/Fixed Income prgms.	\$26,658	\$26,094	\$28,426	\$29,103	\$30,032
Collective Trust Fund prgms.	1,442	1,314	1,238	984	532
Liquidity funds	<u>2,224</u>	<u>2,499</u>	<u>2,015</u>	<u>1,806</u>	<u>1,886</u>
Total assets under mgmt.	<u>\$30,324</u>	<u>\$29,907</u>	<u>\$31,679</u>	<u>\$31,893</u>	<u>\$32,450</u>
<b>Institutional Investors:</b>					
Equity/Fixed Income prgms.	\$49,115	\$48,504	\$52,270	\$54,998	\$57,763
Collective Trust Fund prgms.	505	500	427	418	284
Liquidity funds	<u>3,416</u>	<u>3,461</u>	<u>3,765</u>	<u>3,147</u>	<u>3,253</u>
Total assets under mgmt.	<u>\$53,036</u>	<u>\$52,465</u>	<u>\$56,462</u>	<u>\$58,563</u>	<u>\$61,300</u>
<b>Investment Managers:</b>					
Equity/Fixed Income prgms.	\$52	\$65	\$58	\$63	\$62
Collective Trust Fund prgms.	11,292	10,773	11,983	12,991	14,797
Liquidity funds	<u>200</u>	<u>219</u>	<u>190</u>	<u>235</u>	<u>287</u>
Total assets under mgmt.	<u>\$11,544</u>	<u>\$11,057</u>	<u>\$12,231</u>	<u>\$13,289</u>	<u>\$15,146</u>
Client assets under admin.	<u>236,953</u>	<u>224,633</u>	<u>224,547</u>	<u>229,873</u>	<u>237,155</u>
Total assets	<u>\$248,497</u>	<u>\$235,690</u>	<u>\$236,778</u>	<u>\$243,162</u>	<u>\$252,301</u>
<b>Investments in New Businesses:</b>					
Equity/Fixed Income prgms.	\$525	\$515	\$549	\$550	\$530
Liquidity funds	<u>42</u>	<u>42</u>	<u>39</u>	<u>33</u>	<u>35</u>
Total assets under mgmt.	<u>\$567</u>	<u>\$557</u>	<u>\$588</u>	<u>\$583</u>	<u>\$565</u>
<b>LSV Asset Management</b>					
Equity/Fixed Income prgms.	\$54,679	\$54,021	\$59,200	\$55,994	\$57,164
<b>Total:</b>					
Equity/Fixed Income prgms	\$147,621	\$145,823	\$157,619	\$157,502	\$163,078
Collective Trust Fund prgms.	13,744	13,051	14,084	14,789	15,843
Liquidity funds	<u>11,092</u>	<u>11,622</u>	<u>11,590</u>	<u>10,336</u>	<u>10,862</u>
Total assets under mgmt.	<u>\$172,457</u>	<u>\$170,496</u>	<u>\$183,293</u>	<u>\$182,627</u>	<u>\$189,783</u>
Client assets under admin.	<u>247,317</u>	<u>234,923</u>	<u>234,758</u>	<u>240,504</u>	<u>248,022</u>
Total assets	<u>\$419,774</u>	<u>\$405,419</u>	<u>\$418,051</u>	<u>\$423,131</u>	<u>\$437,805</u>