SEI INVESTMENTS CO
Form 10-K
February 27, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K
(Mark One)

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013
OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from_________to ________

Commission File Number: 0-10200
SEI INVESTMENTS COMPANY
(Exact name of registrant as specified in its charter)

Pennsylvania (State or other jurisdiction of incorporation or organization)	23-1707341 (I.R.S. Employer Identification No.)
1 Freedom Valley Drive, Oaks, Pennsylvania (Address of principal executive offices)	19456-1100 (Zip Code)

Registrant’s telephone number, including area code 610-676-1000
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01 per share	The NASDAQ Stock Market LLC (The NASDAQ Global Select Market®)

Securities registered pursuant to Section 12(g) of the Act:
None
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ¨ No ý

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ¨ No ý

The aggregate market value of the voting common stock held by non-affiliates of the registrant was approximately $3.8 billion based on the closing price of $28.43 as reported by NASDAQ on June 28, 2013 (the last business day of the registrant's most recently completed second fiscal quarter). For purposes of making this calculation only, the registrant has defined affiliates as including all executive officers, directors and beneficial owners of more than ten percent of the common stock of the registrant.

The number of shares outstanding of the registrant's common stock, as of the close of business on January 31, 2014:

Common Stock, $.01 par value	169,489,439

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated by reference herein:

1. The definitive proxy statement relating to the registrant's 2014 Annual Meeting of Shareholders, to be filed within 120 days after the end of the fiscal year covered by this annual report, is incorporated by reference in Part III hereof.

SEI Investments Company
Fiscal Year Ended December 31, 2013
TABLE OF CONTENTS

PART I

Forward Looking Statements

This Annual Report on Form 10-K contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve certain known and unknown risks, uncertainties and other factors, many of which are beyond our control, and are not limited to those discussed in Item 1A, “Risk Factors.” All statements that do not relate to historical or current facts are forward-looking statements. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these include statements relating to present or anticipated products and markets, future revenues, capital expenditures, expansion plans, future financing and liquidity, personnel, and other statements regarding matters that are not historical facts or statements of current condition.

Any or all forward-looking statements contained within this Annual Report on Form 10-K may turn out to be wrong. They can be affected by inaccurate assumptions we might make, or by known or unknown risks and uncertainties. Many factors mentioned in the discussion below will be important in determining future results. Consequently, we cannot guarantee any forward-looking statements. Actual future results may vary materially.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You are advised, however, to consult any further disclosures we make on related subjects in our filings with the U.S. Securities and Exchange Commission (SEC).

Item 1. Business.

Overview

SEI (NASDAQ: SEIC) is a leading global provider of investment processing, investment management and investment operations solutions. We help financial institutions, financial advisors, institutional investors, investment managers and ultra-high-net-worth families create and manage wealth by providing comprehensive, innovative, investment and investment-business solutions. As of December 31, 2013, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $559.2 billion in mutual fund and pooled or separately managed assets, including $231.9 billion in assets under management and $327.3 billion in client assets under administration. Our affiliate, LSV Asset Management (LSV), manages $76.2 billion of assets which are included as assets under management.

Our wealth management business solutions include:

- Investment processing outsourcing solutions for providers of institutional and private-client wealth management services, including banks, trust companies, independent wealth advisers and other financial services firms;
- Investment management solutions for institutional investors, including retirement plan sponsors, not-for-profit organizations and affluent individual investors; and
- Investment operations outsourcing solutions for investment management firms, banks and investment companies that sponsor and distribute mutual funds, hedge funds and alternative investments.

General Development of the Business

For over 45 years, SEI has been a leading provider of wealth management business solutions for the financial services industry.

We began doing business in 1968 by providing computer-based training simulations for bank loan officers. We developed an investment accounting system for bank trust departments in 1972 and became a leading provider of investment-processing outsourcing services to banks and trust institutions in the United States. Later, we broadened these outsourcing services and began offering bank clients a family of mutual funds, as well as investment-operations outsourcing services. We became a public company in 1981.

We began to adapt these solutions, and develop new wealth management solutions, for selected global markets in the 1990s, including: investment advisors, retirement plan sponsors and institutional investors, asset management distribution firms, investment managers and affluent individual investors. Today, we serve approximately 6,850 clients in the United States, Canada, the United Kingdom, continental Europe, South Africa and East Asia.

In each of these markets, we have combined our core competencies - investment processing, investment management and investment operations - to deliver broader and more strategic solutions for clients and markets. Today, we offer a global wealth platform and investment services for private banks and wealth services firms; a complete life and wealth platform for operating an investment advisory business; a comprehensive fiduciary management solution for retirement plan sponsors and institutional investors; a total operational outsourcing solution for investment managers and a complete life and wealth solution for ultra-high-net-worth families.

Strategy

We seek to achieve growth in earnings and shareholder value by strengthening our position as a provider of global wealth management solutions. To achieve this objective, we have implemented these strategies:

Create broader solutions for wealth service firms. Banks, investment managers and financial advisors seek to enter new markets, expand their service offerings, provide a differentiated experience to their clients, improve efficiencies, reduce risks and better manage their businesses. We offer next generation business solutions integrating technology, operating processes and financial products designed to help these institutions better serve their clients and provide opportunities to improve their business success.

Help institutional investors manage retirement plans and operating capital. Retirement plan sponsors, not-for-profit organizations and other institutional investors strive to meet their fiduciary obligations and financial objectives while reducing business risk. We deliver customized investment management solutions, as part of a complete solution offering, that enable investors to make better decisions about their investments and to manage their assets more effectively.

Help affluent individual investors manage their life and wealth goals. These investors demand a holistic wealth management experience that focuses on their life goals and provides them with an integrated array of financial services that includes substantially more than traditional wealth management offerings. We help these investors identify their goals and offer comprehensive life and wealth advisory services including life planning, investments and other financial services.

Expand globally. Global markets are large and present significant opportunities for growth. We have evolved U.S. business models for the global wealth management marketplace, focusing on the needs of institutional investors, private banks, independent wealth advisers, investment managers, investment advisors and affluent individual investors.

Fundamental Principles

We are guided by these fundamental principles in managing the business and adopting these growth strategies:

- Achieve growth in revenue and earnings. We seek to grow the business by providing additional services to clients, adding new clients, introducing new products and adapting products for new markets.
- Forge long-term client relationships. We strive to achieve high levels of customer satisfaction and to forge close and long lasting client relationships. We believe these relationships enable us to market additional services and acquire knowledge and insights that fuel the product development process.
- Invest in product development. We continually enhance products and services to keep pace with industry developments, regulatory requirements and the emerging needs of markets and clients. We believe ongoing investments in research and development give us a competitive advantage in our markets.
- Maintain financial strength. We adopt business models that generate recurring revenues and positive cash flows. Predictable cash flows serve as a source of funds for continuing operations, investments in new products, common stock repurchases and dividend payments.
- Leverage investments across the business. We create scalable, enterprise-wide solutions designed to serve the needs of multiple markets, potentially offering operating efficiencies that can benefit corporate profitability.
- Create value for shareholders. The objective of achieving long-term sustainable growth in revenues and earnings strongly influences the management of the business. This philosophy guides corporate management practices, strategic planning activities and employee compensation practices.

Products and Services

Investment Processing

Investment processing solutions consist of application and business process outsourcing services, professional services and transaction-based services. Clients include providers of institutional and private client wealth management services, including banks, trust companies, independent wealth advisers and other financial services firms. We also deliver these solutions, combined with our investment management programs, to investment advisors and other financial services firms that provide wealth management services to their advisory clients.

Our investment processing solutions are delivered through two platforms: TRUST 3000® and the SEI Wealth Platform℠ (the SEI Wealth Platform or the Platform). We own, maintain and operate the software applications and information processing facilities for all of our investment processing solutions.

TRUST 3000® is a comprehensive trust and investment accounting system that provides securities processing and investment accounting for all types of domestic and global securities, and support for multiple account types, including personal trust, corporate trust, institutional trust and non-trust investment accounts.

The SEI Wealth Platform provides a unified and scalable platform for operating a wealth management business including investment processing and infrastructure services, plus advanced capabilities to support wealth advisory, asset management, and wealth administration functions. The Platform provides global wealth management capabilities including a 24/7 operating model, global securities processing, and multi-currency accounting and reporting. Built around a client-centric relationship model, the Platform has an open architecture and supports workflow management and straight-through processing. We began delivering the SEI Wealth Platform to private banks and independent wealth advisers in the United Kingdom in 2007. Since then, we have signed 20 independent wealth advisors and other wealth managers in the United Kingdom and signed 9 banks in the United States. We have also converted a small, select group of investment advisors in the United States.

Investment processing revenues are earned as monthly fees for contracted services including software licenses. Information processing and investment operations revenues are earned based upon the type and number of investor accounts serviced or as a percentage of the market value of the clients' assets processed. These revenues are recognized in Information processing and software servicing fees on the accompanying Consolidated Statements of Operations. Professional services revenues are earned from contracted, project-oriented services, including client implementations, and are recognized in Information processing and software servicing fees on the accompanying Consolidated Statements of Operations. Transaction-based revenues are earned from trade execution services and are recognized as Transaction-based and trade execution fees on the accompanying Consolidated Statements of Operations.

Investment Management Programs

Investment management programs consist of money market, fixed-income and equity mutual funds, collective investment products, alternative investment portfolios and separately managed accounts. We serve as the sponsor, administrator and investment advisor for many of these products. We distribute these programs through investment advisory firms, including investment advisors and banks, and directly to institutional and individual investors.

We have expanded these investment management programs to include other consultative, operational and technology components, and have created comprehensive solutions tailored to the needs of a specific market. These components may include investment strategies, consulting services, administrative and processing services and technology tools.

Investors in our investment programs typically follow an investment strategy constructed according to our disciplined investment process and invest in a globally diversified portfolio that consists of multiple asset classes and investment styles. Our investment process is based on five principles: asset allocation and appropriate diversification, both of which are important to investment performance; a portfolio design process that identifies the drivers of investment returns for each asset class; manager selection, where we act as a manager-of-managers, selecting style-specific managers from a global network of money managers; a portfolio construction process implemented through selected managers, and properly diversified among asset classes and drivers of investment returns; and risk management processes that monitor portfolios to ensure risk objectives are met.

As of December 31, 2013, SEI managed $155.7 billion in assets including: $121.3 billion invested in fixed-income and equity funds, or through separately managed account programs; $11.9 billion invested in liquidity or money market funds; and $22.5 billion invested in collective trust fund programs. An additional $76.2 billion in assets is managed by our unconsolidated affiliate LSV, a registered investment advisor that specializes in a value equity management style for their clients.

Revenues from investment management programs are primarily earned as a percentage of net assets under management. These revenues are recognized in Asset management, administration and distribution fees on the accompanying Consolidated Statements of Operations. Our interest in the earnings of LSV is recognized in Equity in earnings of unconsolidated affiliates on the accompanying Consolidated Statements of Operations.

Investment Operations

Investment operations outsourcing solutions consist of accounting and administration services, and distribution support services. We deliver these solutions to investment management firms that offer traditional and alternative products. We support traditional managers who advise a variety of investment products including mutual funds, UCITS schemes, collective investment trusts (CITs), exchange-traded funds (ETFs), institutional accounts and separately managed accounts. We also provide comprehensive solutions to investment managers worldwide that sponsor and distribute alternative investments such as hedge funds, funds of hedge funds, private equity funds and real estate funds, across both registered and partnership structures.

Accounting and administration services include account and fund administration, investment portfolio and fund accounting; cash administration and treasury services; trade capture, settlement and reconciliation; trustee and custodial services; legal, audit and tax support; and investor services. Distribution support services may include access to distribution platforms and market and industry analyses to identify specific product distribution opportunities. These solutions are delivered by utilizing a highly integrated, robust and scalable technology platform adapted to fit the specific business needs of our investment manager clients.

As of December 31, 2013, we administered $327.3 billion in client assets for traditional and alternative investment fund products, including mutual funds, hedge funds and private equity funds. Revenues from these products are primarily earned as a percentage of net assets under administration.

Revenues for the processing of institutional separate accounts and separately managed accounts are generally earned on the number of investor accounts serviced. Assets associated with this separate account processing are not included in reported assets under administration. Both revenue categories are recognized in Asset management, administration and distribution fees on the accompanying Consolidated Statements of Operations.

Business Segments

Business segments are generally organized around our target markets. Financial information about each business segment is contained in Note 13 to the Consolidated Financial Statements. Our business segments are:

Private Banks – provides investment processing and investment management programs to banks and trust institutions, independent wealth advisers and financial advisors worldwide;

Investment Advisors – provides investment management programs to affluent investors through a network of independent registered investment advisors, financial planners and other investment professionals in the United States;

Institutional Investors – provides investment management programs and administrative outsourcing solutions to retirement plan sponsors, hospitals and not-for-profit organizations worldwide;

Investment Managers – provides investment operations outsourcing solutions to fund companies, banking institutions and both traditional and non-traditional investment managers worldwide; and

Investments in New Businesses – focuses on providing investment management programs to ultra-high-net-worth families residing in the United States; developing internet-based investment services and advice solutions; entering new markets; and conducting other research and development activities.

The percentage of consolidated revenues generated by each business segment for the last three years was:

	2013		2012		2011	
Private Banks	35	%	37	%	37	%
Investment Advisors	21	%	20	%	20	%
Institutional Investors	23	%	23	%	23	%
Investment Managers	20	%	19	%	19	%
Investments in New Businesses	1	%	1	%	1	%
	100	%	100	%	100	%

Private Banks

The Private Banks segment delivers a comprehensive outsourcing solution integrating investment processing services, investment management and distribution programs, and business expertise to banks and trust institutions, independent wealth advisers and financial advisors worldwide.

TRUST 3000® application-solution clients outsource investment processing technology software and computer processing, but retain responsibility for investment operations, client administration and investment management. These clients operate our TRUST 3000® application remotely while fully supported by our data center using dedicated telecommunications networks. TRUST 3000® business-solution clients outsource their entire investment operation including back-office processing functions. The business-solution includes investment processing services as well as custody and safekeeping of certain assets, income collection, securities settlement and other related trust activities.

New TRUST 3000® clients undergo a business transformation and implementation process which can take a few months for smaller institutions and up to 15 months or more for larger institutions. We earn one-time implementation and professional services fees for business transformation services. We begin to earn processing revenues when the client completes the transformation process and commences operation.

Client contracts for investment processing solutions offered through TRUST 3000® have initial terms that are generally three to seven years in length. At December 31, 2013, we had significant relationships with 108 bank and trust institutions in the United States. Our principal competitors for this business are: Fidelity National Information Services, Inc., SunGard Data Systems Inc., State Street Corporation, Fi-Tek LLC, Charles Schwab & Co., Inc. and Fidelity Investments. Many large financial institutions develop, operate and maintain proprietary investment and trust accounting systems. We consider these “in-house” solutions to be a form of competition.

New SEI Wealth Platform clients also undergo a business transformation process that includes either a conversion of existing client assets, or a business transition process which funds new client assets onto the Platform as the client grows their business with a contractual minimum fee in place. We begin to earn processing revenues when the client completes the transformation process and commences operation.

Client contracts for investment processing solutions offered through the Platform have initial terms that are generally five to seven years in length. At December 31, 2013, we had significant relationships with 29 banks, independent wealth advisers and other wealth managers located in the United Kingdom and the United States. Our principal competitors for this business, in addition to those named above, are: Pershing LLC, FNZ UK Ltd., Temenos Group AG, Avaloq, TD Direct Investing (Europe) Ltd. and smaller technology firms. We also consider “in-house” solutions to be a form of competition.

This segment also offers investment management programs for banks and distribution partners worldwide. At December 31, 2013, we had approximately 320 investment distribution clients. We also had single-product relationships with approximately 85 additional banks and trust institutions. The principal competitors for this business are: Federated Investors, Inc., Russell Investment Group, Fidelity Investments, Franklin Templeton Investments, discretionary portfolio managers and various multi-manager investment programs offered by other firms. We also consider “in-house” internal asset management capabilities to be a form of competition.

Investment Advisors

The Investment Advisors segment offers wealth management solutions throughout the United States to registered investment advisors, financial planners and life insurance agents, many of whom are registered with independent broker-dealers. These wealth management solutions include our investment management programs and back-office investment processing outsourcing services and are usually offered on a bundled basis. We also help advisors manage and grow their businesses by giving them access to our marketing support programs, business assessment assistance and recommended management practices. Our solutions aim to help investment advisors reduce risk, improve quality and gain operational efficiency to devote more of their resources to servicing their clients and acquiring new clients. Advisors are responsible for the investor relationship which includes creating financial plans, implementing investment strategies and educating and servicing their customers. Advisors may customize portfolios to include separate account managers provided through our programs as well as SEI-sponsored mutual funds. Our wealth and investment programs are designed to be attractive to affluent or high-net-worth individual investors with over $250 thousand of investable assets and small to medium-sized institutional plans.

We continually enhance our offering to meet the emerging needs of our advisors and their end clients. For example, we have converted a small group of advisors onto the SEI Wealth Platform. Our testing with these clients will continue through 2014. We anticipate the enhanced service offerings enabled through the Platform will provide a more diverse range of front-office and back-office investment processing outsourcing services and investment management solutions. On the investment side, we launched our first ETF offering in 2013 and added six new mandates to our Separately Managed Accounts Program.

We estimate we have business relationships with over 5,700 financial advisors at December 31, 2013. Our definition of a client for this segment includes financial advisors who have exceeded a minimal level of customer assets invested in our investment products. With the growth of our business, the minimal level of customer assets which defines a "business relationship" is adjusted from time to time. Our business is primarily based on approximately 1,300 investment advisors who, at December 31, 2013, had at least $5.0 million each in customer assets invested in our mutual funds and separately managed accounts. Revenues are earned largely as a percentage of average assets under management.

The principal competition for our investment management products is from other money managers, other turnkey asset management providers, mutual fund companies, custody service providers and the proprietary investment management programs of broker dealers. In the advisor distributor channel, the principal competitors include AssetMark Investment Services Inc., Brinker Capital, EnvestNet Asset Management, Inc., Fidelity Investments, Lockwood Advisors, Inc., a subsidiary of The Bank of New York Mellon, Charles Schwab & Co., Inc., and other broker-dealers. As we introduce the Platform, we expect to more directly compete with custody service providers.

Institutional Investors

The Institutional Investors segment offers fiduciary management solutions for retirement plan sponsors, healthcare systems and not-for-profit organizations globally. Clients can outsource their investment management needs through an open architecture platform supported with administrative services for defined benefit plans, defined contribution plans, endowments, foundations and balance sheet assets.

The fiduciary management program provides an investment strategy customized to the client’s financial status and goals, while integrating a multimanager investment process, plan administration services and consulting services. Plan administration services include trustee, custodial, benefit payment services, record-keeping services and donor administration. Consulting services include asset liability modeling, and the customization of an asset allocation plan that is designed to meet long-term objectives.

By outsourcing retirement plan services, we believe clients benefit from an investment approach built around a strategy designed to meet the client's long-term business and plan objectives and a process that alleviates the responsibility of manager selection, ongoing monitoring and termination. This approach is designed to reduce business risk, provide ongoing due diligence and increase operational efficiency. Nonprofit organizations can manage volatility through more diversified portfolios and focus more resources on achieving their overall mission. Healthcare organizations benefit from customized asset allocations that help provide improved balance sheet protection and overall financial risk management.

Fees are primarily earned as a percentage of average assets under management. At December 31, 2013, we had relationships with approximately 470 investment management clients. The principal competitors for this segment are Mercer, Aon Hewitt, Towers Watson, Russell Investments, Northern Trust Company and other investment consultants.

Investment Managers

The Investment Manager segment supplies investment organizations of all types with the advanced operating infrastructure they need to be competitive while navigating a host of business and regulatory challenges. Our comprehensive global operations platform provides asset managers with customized and integrated capabilities in the areas of fund administration, fund accounting, data and information management, risk management and compliance support.

We work with a diverse and sophisticated group of traditional, alternative and sovereign wealth managers, including close to one-third of the top 100 managers worldwide. Clients choose our full-service offering because of its flexibility, speed and ability to support their diverse business needs across multiple product types and structures, investment strategies and asset classes. Our investment manager clients offer a variety of packaging types, including hedge funds, private equity funds, mutual funds, separate accounts, ETFs, UCITS, unit trusts and closed end funds. For clients who desire to manage assets within a collective investment trust, we offer trustee and investment management services in addition to the administration services described above. Because our operational platform enables managers to view their business in such a comprehensive and integrated way, it gives them more control over their business risks and results.

Over the past few years, investors have faced multiple market crises and rising volatility. Investment managers have responded with a range of innovative products designed to better manage volatility and downside risk, and offer alternatives to the pure long-only investing strategy historically used in traditional markets. The clear line that had once separated traditional and alternative investment products continues to blur as traditional managers utilize tools historically used by alternative managers, while alternative managers increasingly are launching registered products and taking advantage of broader, and different, distribution channels. Additionally, as competitiveness will increasingly be based on capabilities other than just investment expertise, we have offered managers solutions that help them gain scale and efficiency, run their businesses more intelligently, and be more responsive to investor needs. We also continually enhance our solutions to anticipate and adapt to economic, regulatory and industry changes.

Contracts for our investment operations outsourcing services generally have terms ranging from three to five years. Fees are primarily earned as a percentage of average assets under management and administration. A portion of the revenues for this segment are earned as account servicing fees. At December 31, 2013, we had relationships with approximately 225 investment management companies and alternative investment managers. Our competitors vary according to the asset class or solution provided and include large global custodian banks such as State Street, BNY Mellon and Northern Trust as well as smaller more specialized firms.

Investments in New Businesses

The Investments in New Businesses segment represents other business ventures or research and development activities intended to expand our solutions to new or existing markets including ultra-high-net-worth families who reside in the United States. This segment includes the costs associated with business development in the Middle East through our Dubai office and the development of new internet-based investment services and mobile technologies. The family wealth management solution offers flexible family-office type services through a highly personalized solution while utilizing the Manager-of-Managers investment process.

The principal competitors for the family wealth solution are diversified financial services providers focused on the ultra-high-net-worth market.

Research and Development

We are devoting significant resources to research and development, including expenditures for new technology platforms, enhancements to existing technology platforms and new investment products and services. We spent approximately $91.8 million in 2013, $79.6 million in 2012, and $118.6 million in 2011, of which we capitalized approximately $30.7 million in 2013, $31.0 million in 2012 and $41.0 million in 2011 relating to the development of new technology platforms. The amount of research and development expenditures capitalized in 2013 is exclusive of a one-time contractual payment of $8.8 million to exercise a conversion option in lieu of periodic fee payments pertaining to a software license for the SEI Wealth Platform. Total research and development expenditures as a percentage of revenues were 8.2 percent in 2013, 8.0 percent in 2012 and 12.8 percent in 2011. In 2012, we redefined our definition of research and development expenditures to only include development costs pertaining to new products and services in which an approved delivery plan for one of our existing target markets has been implemented and no longer include expenditures for investments or research activities related to the analysis of products and services for potential target markets. Our research and development expenditures are included in Compensation, benefits and other personnel and Consulting, outsourcing and professional fees on the accompanying Consolidated Statements of Operations.

The majority of our research and development spending is related to building the SEI Wealth Platform, which combines business service processing with asset management and distribution services. The Platform offers to our customers a client-centric, rather than an account-centric, process with model-based portfolio management services through a single platform. The Platform utilizes our proprietary applications with those built by third-party providers and integrates them into a single technology solution, providing a common user experience. This integration supports straight-through business processing and enables the transformation of our clients' trust services from operational investment processing services to client value-added services.

The solution will serve markets in the United States, United Kingdom, Canada and continental European markets. The Platform provides the technology infrastructure for the business solutions now being marketed to private banks and independent wealth adviser organizations in the United States and the United Kingdom. We believe the demand for the advanced capabilities of the Platform will enable us to significantly extend, expand and improve the services we offer in the Investment Advisors segment.

The Platform will eventually be used at some level by most of our business segments representing a significant upgrade to our infrastructure. The Platform will enable SEI and our clients to manage the entire lifecycle of wealth services through a single solution. The workflow automation, firm's business rules and straight through processing to the street will dramatically change the client experience, help firms manage risk and allow for total transparency.

Marketing and Sales

Our business solutions are directly marketed to potential clients in our target markets. We employ approximately 105 sales representatives who operate from offices located throughout the United States, Canada, the United Kingdom, continental Europe, South Africa, Asia and other locations.

Customers

In 2013, no single customer accounted for more than ten percent of revenues in any business segment.

Personnel

At January 31, 2014, we had 2,682 full-time and 67 part-time employees. Employee unions do not represent any of our employees. Management considers employee relations to be generally good.

Regulatory Considerations

Our principal, regulated wholly-owned subsidiaries are SEI Investments Distribution Co., or SIDCO, SEI Investments Management Corporation, or SIMC, SEI Private Trust Company, or SPTC, SEI Trust Company, or STC, and SEI Investments (Europe) Limited, or SIEL. SIDCO is a broker-dealer registered with the SEC under the Securities and

Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA). SIMC is an investment advisor registered with the SEC under the Investment Advisers Act of 1940 and with the Commodity Futures Trading Commission (CFTC) under the Commodity Futures Exchange Act. SPTC is a limited purpose federal thrift chartered and regulated by the Office of the

Comptroller of the Currency. STC is a Pennsylvania trust company, regulated by the Pennsylvania Department of Banking and Securities. SIEL is an investment manager and financial institution subject to regulation by the Financial Conduct Authority of the United Kingdom. In addition, various SEI subsidiaries are subject to the jurisdiction of regulatory authorities in Canada, the Republic of Ireland and other foreign countries. The Company has a minority ownership interest in LSV, which is also an investment advisor registered with the SEC. During 2013, we applied to deregister the Company as a savings and loan holding company and the Board of Governors of the Federal Reserve System approved the application in November 2013.

The Company, its regulated subsidiaries, their regulated services and solutions and their customers are all subject to extensive legislation, regulation and supervision that recently has been subject to, and continues to experience, significant change and increased regulatory activity. These changes and regulatory activities could have a material adverse affect on us and our clients.

The various governmental agencies and self-regulatory authorities that regulate or supervise the Company and its subsidiaries have broad administrative powers. In the event of a failure to comply with laws, regulations and requirements of these agencies and authorities, the possible sanctions that may be imposed include the suspension of individual employees, limitations on our ability to engage in business for specified periods of time, the revocation of applicable registration as a broker-dealer, investment advisor or other regulated entity, and, as the case may be, censures and fines. Additionally, certain securities and banking laws applicable to us and our subsidiaries provide for certain private rights of action that could give rise to civil litigation. Any litigation could have significant financial and non-financial consequences including monetary judgments and the requirement to take action or limit activities that could ultimately affect our business.

Governmental scrutiny from regulators, legislative bodies and law enforcement agencies with respect to matters relating to our regulated subsidiaries and their activities, services and solutions, our business practices, our past actions and other matters has increased dramatically in the past several years. Responding to these examinations, investigations, actions and lawsuits, regardless of the ultimate outcome of the proceeding, is time consuming and expensive and can divert the time and effort of our senior management from our business. Penalties and fines sought by regulatory authorities have increased substantially over the last several years, and certain regulators have been more likely in recent years to commence enforcement actions or to advance or support legislation targeted at the financial services industry. We continue to be subject to inquiries from examinations and investigations by supervisory and enforcement divisions of regulatory authorities and expect this to continue in 2014. We believe this is also the case with many of our regulated clients. Governmental scrutiny and legal and enforcement proceedings can also have a negative impact on our reputation, our relationship with clients and prospective clients, and on the morale and performance of our employees, which could adversely affect our businesses and results of operations.

We are subject to the USA PATRIOT Act of 2001, which contains anti-money laundering and financial transparency laws and requires implementation of regulations applicable to financial services companies, including standards for verifying client identification and monitoring client transactions and detecting and reporting suspicious activities. Anti-money laundering laws outside the United States contain similar requirements. We offer investment and banking solutions that also are subject to regulation by the federal and state securities and banking authorities, as well as foreign regulatory authorities, where applicable. Existing or future regulations that affect these solutions could lead to a reduction in sales of these solutions or require modifications of these solutions.

Compliance with existing and future regulations and responding to and complying with recent increased regulatory activity affecting broker-dealers, investment advisors, investment companies, financial institutions and their service providers could have a significant impact on us. We periodically undergo regulatory examinations and respond to regulatory inquiries and document requests. In addition, recent legislative activity in the United States (including the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and attendant rule making activities) and in other jurisdictions (including the European Union and the United Kingdom) have made and continue to make, extensive changes to the laws regulating financial services firms. As a result of these examinations, inquiries and requests, as a result of increased civil litigation activity, and as a result of these new laws and regulations, we engage legal counsel, review our compliance procedures, solution and service offerings, and business operations, and make changes as we deem necessary. These additional activities and required changes may result in increased expense or

may reduce revenues.
Our bank clients are subject to supervision by federal and state banking authorities concerning the manner in which such clients purchase and receive our products and services. Our plan sponsor clients and our subsidiaries providing services to those clients are subject to supervision by the Department of Labor and compliance with employee benefit regulations. Investment advisor and broker-dealer clients are regulated by the SEC, state securities authorities, or FINRA. Existing or future regulations applicable to our clients may affect our clients’ purchase of our products and services.
In addition, see the discussion of governmental regulations in Item 1A “Risk Factors” for a description of the risks that proposed regulatory changes may present for our business.
Available Information

We maintain a website at www.seic.com and make available free of charge through the Investors section of this website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. We include our website in this Annual Report on Form 10-K only as an inactive textual reference and do not intend it to be an active link to our website. The material on our website is not part of this Annual Report on Form 10-K.

Item 1A. Risk Factors.

We believe that the risks and uncertainties described below are those that impose the greatest threat to the sustainability of our business. However, there are other risks and uncertainties that exist that may be unknown to us or, in the present opinion of our management, do not currently pose a material risk of harm to us. The risk and uncertainties facing our business, including those described below, could materially adversely affect our business, results of operations, financial condition and liquidity.

Our revenues and earnings are affected by changes in capital markets. A majority of our revenues are earned based on the value of assets invested in investment products that we manage or administer. Significant fluctuations in securities prices may materially affect the value of these assets and may also influence an investor’s decision to invest in and maintain an investment in a mutual fund or other investment product. As a result, our revenues and earnings derived from assets under management and administration could be adversely affected.

We are dependent on third party pricing services for the valuation of securities invested in our investment products. The majority of the securities held by our investment products are valued using quoted prices from active markets gathered by external third party pricing services. Securities for which market prices are not readily available are valued in accordance with procedures applicable to that investment product. These procedures may utilize unobservable inputs that are not gathered from any active markets and involve considerable judgment. If these valuations prove to be inaccurate, our revenues and earnings from assets under management could be adversely affected.

We are exposed to product development risk. We continually strive to increase revenues and meet our customers' needs by introducing new products and services. As a result, we are subject to product development risk, which may result in loss if we are unable to develop and deliver fully functional products to our target markets that address our clients' needs and that are developed on a timely basis and reflect an attractive value proposition. The majority of our product development risk pertains to the SEI Wealth Platform, our newest technology that serves U.K., European and U.S. clients. It is designed to drive our entry into global private bank and wealth services markets and expand our U.S. market opportunity, improve client experience capabilities and strengthen operating efficiencies by providing straight through business processing solutions and transform the front, middle and back office operations that exist today. New product development is primarily for the purpose of enhancing our competitive position in the industry. In the event that we fail to develop products or services at an acceptable cost or on a timely basis or if we fail to deliver functional products and services which are of sound, economic value to our clients and our target markets, or an inability to support the product in a cost-effective and compliant manner, we may recognize significant financial losses from the acceleration of amortization expense or impairment charges related to the product.

We are dependent upon third-party service providers in our operations. We utilize numerous third-party service providers located in the United States, the United Kingdom and other offshore locations in our operations, in the development of new products, and in the maintenance of our proprietary systems. A failure by a third-party service provider could expose us to an inability to provide contractual services to our clients in a timely basis. Additionally, if a third-party service provider is unable to provide these services, we may incur significant costs to either internalize some of these services or find a suitable alternative.

We serve as the investment advisor for many of the products offered through our investment management programs and utilize the services of investment sub-advisers to manage the majority of these assets. A failure in the performance of our due diligence processes and controls related to the supervision and oversight of these firms in detecting and addressing conflicts of interest, fraudulent activity, noncompliance with relevant securities and other laws could cause us to suffer financial loss, regulatory sanctions or damage to our reputation.

Poor investment performance may affect our revenues and earnings. Our ability to maintain our existing clients and attract new clients may be negatively affected if the performance of our mutual funds and other investment products, relative to market conditions and other comparable competitive investment products, is lower. Investors may decide to place their investable funds elsewhere which would reduce the amount of assets we manage resulting in a decrease in our revenues and earnings.

Our earnings are affected by the performance of LSV. We maintain a minority ownership interest in LSV which is a significant contributor to our earnings. LSV is a registered investment advisor that provides investment advisory services to institutions, including pension plans and investment companies. LSV is a value-oriented, contrarian money manager offering a deep-value investment alternative utilizing a proprietary equity investment model to identify securities generally considered to be out of favor by the market. A majority of the revenues earned by LSV are based on the value of assets invested in investment products they manage. Volatility in the capital markets or poor investment performance on the part of LSV, on a relative basis or an absolute basis, could result in a significant reduction in their assets under management and revenues and a reduction in performance fees. Consequently, LSV's contribution to our earnings through our minority ownership could be adversely affected.

Our Company and our clients are subject to extensive governmental regulation. Our various business activities are conducted through entities which may be registered with or regulated by the SEC and CFTC as an investment advisor, a broker-dealer, a transfer agent, or an investment company, and with federal or state banking authorities as a trust company. Our broker-dealer is also a member of the Financial Industry Regulatory Authority and is subject to its rules and oversight. In addition, some of our foreign subsidiaries are registered with, and subject to the oversight of, regulatory authorities primarily in the United Kingdom, the Republic of Ireland and Canada. Many of our clients are subject to substantial regulation by federal and state banking, securities or insurance authorities or the Department of Labor. Compliance with existing and future regulations, responding to and complying with recent regulatory activity affecting broker-dealers, investment advisors, investment companies and their service providers and financial institutions, and examination or other supervisory activities of our regulators or of the regulators of our clients, could have a significant impact on our operations or business or our ability to provide certain products or services.

We offer investment and banking products that also are subject to regulation by the federal and state securities and banking authorities, as well as foreign regulatory authorities, where applicable. Existing or future regulations that affect these products could lead to a reduction in sales of these products or an increase in the cost of providing these products.

The fees and assessments imposed on our regulated subsidiaries by federal, state and foreign regulatory authorities could have a significant impact on us. In the current regulatory environment, the frequency and scope of regulatory reform may lead to an increase in fees and assessments resulting in increased expense, or an increase or change in regulatory requirements which could affect our operations and business.

We are subject to litigation and regulatory examinations and investigations. The financial services industry faces substantial regulatory risks and litigation. Like many firms operating within the financial services industry, we are experiencing a difficult regulatory environment across our markets. Our current scale and reach as a provider to the financial services industry; the increased regulatory oversight of the financial services industry generally; new laws and regulations affecting the financial services industry and ever-changing regulatory interpretations of existing laws and regulations, have made this an increasingly challenging and costly regulatory environment in which to operate. These examinations or investigations could result in the identification of matters that may require remediation activities or enforcement proceedings by the regulator. The direct and indirect costs of responding to these examinations, or of defending ourselves in any litigation could be significant. Additionally, actions brought against us may result in settlements, awards, injunctions, fines and penalties. The outcome of litigation or regulatory action is inherently difficult to predict and could have an adverse affect on our ability to offer some of our products and services.

Consolidation within our target markets may affect our business. Merger and acquisition activity between banks and other financial institutions could reduce the number of existing and prospective clients or reduce the amount of revenue we receive from retained clients. Consolidation activities may also cause larger institutions to internalize some or all of our services. These factors may negatively impact our ability to generate future growth in revenues and earnings.

We are exposed to systems and technology risks. Through our proprietary systems, we maintain and process data for our clients that is critical to their business operations. An unanticipated interruption of service may have significant ramifications, such as lost data, damaged software codes, or inaccurate processing of transactions. As a result, the costs necessary to rectify these problems may be substantial. Our continued success also depends in part on our ability to protect our proprietary technology and solutions and to defend against infringement claims of others. We primarily rely upon trade secret law, software security measures, copyrights and confidentiality restrictions in contracts with employees, vendors and customers. Our industry is characterized by the existence of a large number of trade secrets, copyrights and the rapid issuance of patents, as well as frequent litigation based on allegations of infringement or other violations of intellectual property rights of others. A successful assertion by others of infringement claims or a failure to maintain the confidentiality and exclusivity of our intellectual property may have a material adverse effect on our business and financial results.

We are exposed to data security risks. A failure to safeguard the integrity and confidentiality of client data and our proprietary data from the infiltration by an unauthorized user that is either stored on or transmitted between our proprietary systems or to other third party service provider systems may lead to modifications or theft of critical and sensitive data pertaining to us or our clients. The costs incurred to correct client data and prevent further unauthorized access to our data or client data could be extensive.

We are dependent upon third party approvals. Many of the investment advisors through which we distribute our investment offerings are affiliated with independent broker-dealers or other networks, which have regulatory responsibility for the advisor's practice. As part of the regulatory oversight, these broker-dealers or networks must approve the use of our investment products by affiliated advisors within their networks. Failure to receive such approval, or the withdrawal of such approval, could adversely affect the marketing of our investment products.

We are exposed to operational risks. Operational risk generally refers to the risk of loss resulting from our operations, including, but not limited to, improper or unauthorized execution and processing of transactions, deficiencies in our operating systems, inefficiencies in our operational business units, business disruptions and inadequacies or breaches in our internal control processes. We operate different businesses in diverse markets and are reliant on the ability of our employees and systems to process large volumes of transactions often within short time frames. In the event of a breakdown or improper operation of systems, human error or improper action by employees, we could suffer financial loss, regulatory sanctions or damage to our reputation. In order to mitigate and control operational risk, we continue to enhance policies and procedures that are designed to identify and manage operational risk.

We are subject to financial and non-financial covenants which may restrict our ability to manage liquidity needs. Our $300 million five-year senior unsecured revolving credit facility (Credit Facility) contains financial and non-financial covenants. The non-financial covenants include restrictions on indebtedness, mergers and acquisitions, sale of assets and investments. In the event of default, we have restrictions on paying dividends and repurchasing our common stock. We have one financial covenant, the Leverage Ratio, which restricts the level of indebtedness we can incur to a maximum of 1.75 times earnings before interest, taxes, depreciation and amortization (EBITDA). We believe our primary risk is with the financial covenant if we were to incur significant unexpected losses that would impact the EBITDA calculation. This would increase the Leverage Ratio and restrict the amount we could borrow under the Credit Facility. A restriction on our ability to fully utilize our Credit Facility may negatively affect our operating results, liquidity and financial condition.

Changes in, or interpretation of, accounting principles could affect our revenues and earnings. We prepare our consolidated financial statements in accordance with generally accepted accounting principles. A change in these principles can have a significant effect on our reported results and may even retrospectively affect previously reported results.

Changes in, or interpretations of, tax rules and regulations may adversely affect our effective tax rates. Unanticipated changes in our tax rates could affect our future results of operations. Our future effective tax rates could be adversely affected by changes in tax laws or the interpretation of tax laws. We are subject to possible examinations of our income tax returns by the Internal Revenue Service and state and foreign tax authorities. We regularly assess the likelihood of outcomes resulting from these examinations to determine the adequacy of our provision for income taxes, however, there can be no assurance that the final determination of any examination will not have an adverse effect on our operating results or financial position.

Currency fluctuations could negatively affect our future revenues and earnings as our business grows globally. We operate and invest globally to expand our business into foreign markets. Our foreign subsidiaries use the local currency as the functional currency. As these businesses evolve, our exposure to changes in currency exchange rates may increase. Adverse movements in currency exchange rates may negatively affect our operating results, liquidity and financial condition.

Changes in interest rates may affect the value of our fixed-income investment securities. We own Government National Mortgage Association (GNMA) mortgage-backed pass-through certificates for the sole purpose of satisfying specific regulatory requirements imposed on our wholly-owned limited purpose federal thrift subsidiary, SPTC. The valuations of these securities are impacted by fluctuations in interest rates. Interest rates during the past several years have remained relatively low. The effect of rising interest may negatively impact the value of these securities and thereby negatively affect our financial position and earnings.

We rely on our executive officers and senior management. Most of our executive officers and senior management personnel do not have employment agreements with us. The loss of these individuals may have a material adverse affect on our future operations.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our corporate headquarters is located in Oaks, Pennsylvania and consists of nine buildings situated on approximately 90 acres. We own and operate the land and buildings, which encompass approximately 486,000 square feet of office space and 34,000 square feet of data center space. During the third quarter 2013, we began construction of an additional building at our corporate headquarters which will provide approximately 37,000 square feet of additional office space and is expected to be completed in the second quarter of 2014. We lease other offices which aggregate 65,000 square feet. We also own a 3,400 square foot condominium that is used for business purposes in New York, New York.

Item 3. Legal Proceedings.

SEI has been named in six lawsuits filed in Louisiana. Five lawsuits were filed in the 19th Judicial District Court for the Parish of East Baton Rouge, State of Louisiana. One of the five actions purports to set forth claims on behalf of a class and also names SPTC as a defendant and, as described below, was certified as a class in December 2012. Two of the other actions also name SPTC as a defendant. All five actions name various defendants in addition to SEI, and, in all five actions, the plaintiffs purport to bring a cause of action against SEI and SPTC under the Louisiana Securities Act. The class action originally included a claim against SEI and SPTC for an alleged violation of the Louisiana Unfair Trade Practices Act. Two of the other five actions include claims for violations of the Louisiana Racketeering Act and possibly conspiracy. In addition, another group of plaintiffs filed a lawsuit in the 23rd Judicial District Court for the Parish of Ascension, State of Louisiana, against SEI and SPTC and other defendants asserting claims of negligence, breach of contract, breach of fiduciary duty, violations of the uniform fiduciaries law, negligent misrepresentation, detrimental reliance, violations of the Louisiana Securities Act and Louisiana Racketeering Act and conspiracy. The underlying allegations in all the actions are purportedly related to the role of SPTC in providing back-office services to Stanford Trust Company. The petitions allege that SEI and SPTC aided and abetted or otherwise participated in the sale of “certificates of deposit” issued by Stanford International Bank.

Two of the five actions filed in East Baton Rouge were removed to federal court and transferred by the Judicial Panel on Multidistrict Litigation to United States District Court for the Northern District of Texas. On August 31, 2011, the United States District Court for the Northern District of Texas issued an order and judgment that the causes of action alleged against SEI in the two removed actions were preempted by federal law and the court dismissed these cases with prejudice. Plaintiffs appealed this ruling, and on March 19, 2012, a panel of the Court of Appeals for the Fifth Circuit reversed the decision of the United States District Court and remanded the actions for further proceedings. On July 18, 2012, SEI filed a petition for a writ of certiorari in the United States Supreme Court, seeking review of the decision by the United States Court of Appeals in the Fifth Circuit to permit the claims against SEI to proceed. SEI believes that the trial court correctly concluded that the claims against SEI were barred by the federal Securities Litigation Uniform Standards Act and is requesting that the Supreme Court reinstate that dismissal. On January 18, 2013, the Supreme Court granted the petition for a writ of certiorari. On October 7, 2013, the Supreme Court heard oral argument on the appeal and on February 26, 2014 the Supreme Court affirmed the judgment of the Court of Appeals.

The case filed in Ascension was also removed to federal court and transferred by the Judicial Panel on Multidistrict Litigation to the Northern District of Texas. The schedule for responding to that complaint has not yet been established. The plaintiffs in the remaining two cases in East Baton Rouge have granted SEI and SPTC an extension to respond to the filings. SEI and SPTC filed exceptions in the class action pending in East Baton Rouge, which the Court granted in part and dismissed the claims under the Louisiana Unfair Trade Practices Act and denied in part as to the other exceptions.

SEI and SPTC filed an answer to the East Baton Rouge class action, plaintiffs filed a motion for class certification; and SEI and SPTC also filed a motion for summary judgment against certain named plaintiffs which the Court stated will not be set for hearing until after the hearing on the class certification motion. The Court in the East Baton Rouge action held a hearing on class certification on September 20, 2012. By oral decision on December 5, 2012 and later entered in a judgment signed on December 17, 2012 that was subsequently amended, the Court in East Baton Rouge certified a class to be composed of persons who purchased any Stanford International Bank certificates of deposit (SIB CDs) in Louisiana between January 1, 2007 and February 13, 2009; persons who renewed any SIB CD in Louisiana between January 1, 2007 and February 13, 2009; or any person for whom the Stanford Trust Company purchased SIB CDs in Louisiana between January 1, 2007 and February 13, 2009. On January 30, 2013, SEI and SPTC filed motions for appeal from the judgments that stated SEI's and SPTC's intention to move to stay the litigation. On February 1, 2013, plaintiffs filed a motion for Leave to File First Amended and Restated Class Action Petition in which they ask the Court to allow them to amend the petition in this case to add additional facts that were developed during discovery and adding claims against certain of SEI's insurance carriers. On February 5, 2013, the Court granted two of the motions for appeal and the motion for leave to amend. On February 15, 2013, SEI filed a motion for new trial, or, in the alternative, for reconsideration of the Court's order allowing amendment. On February 22, 2013, SEI filed a motion to stay proceedings in view of the pending Supreme Court case. On February 28, 2013, SEI responded to the First Amended and Restated Class Action Petition by filing an exception. On March 11, 2013, the insurance carrier defendants filed a notice of removal removing the case to the Middle District of Louisiana and on March 18, 2013, the insurance carrier defendants filed answers. On March 13, 2013, SEI notified the Judicial Panel on Multidistrict Litigation (MDL) of this case as a potential tag-along action. On March 19, 2013, plaintiffs filed a motion to remand, a motion for expedited briefing schedule, expedited status conference and expedited consideration of their motion to remand, a motion for leave to file under seal and a motion for order pursuant to 28 U.S.C. 1447(b) requiring removing defendants to supplement federal court record with certified copy of state court record. These motions are now fully briefed. On March 25, 2013, SEI filed a motion that the court decline to adopt the state court's order regarding class certification, which the court dismissed without prejudice to renew upon a determination of removal jurisdiction in an April 12, 2013 order that also dismissed without prejudice a motion to dismiss for lack of jurisdiction and improper venue filed on April 9, 2013 by one of the insurers. On April 1, 2013, the Louisiana Office of Financial Institutions (OFI) filed a motion to remand and sever claims, and a response to that motion by the insurers and opposition to that motion by the plaintiffs were filed on April 22, 2013. Along with the briefing in the Middle District of Louisiana, on March 13, 2013, SEI notified the MDL of this case as a potential tag-along action. On March 19, 2013, plaintiffs notified the MDL that they had filed a motion to remand and asked the panel to decline to issue a conditional transfer order. On March 29, 2013, the MDL issued a conditional transfer order (CTO). On April 18, 2013, OFI filed a motion to vacate the CTO or, in the alternative, stay any ruling to transfer the matter until after the Middle District of Louisiana ruled on OFI's motion to remand and sever. Plaintiffs filed a motion to vacate the CTO on April 19, 2013. SEI's responses to those motions were filed on May 9, 2013. On June 12, 2013, the MDL Panel issued an order notifying the parties that on July 25, 2013, it would consider, without oral argument, Plaintiffs' and OFI's motions to vacate the CTO. On August 7, 2013, the MDL Panel affirmed the CTO and transferred the matter against SEI to the United States District Court for the Northern District of Texas; the MDL Panel also severed the claims against OFI and remanded those claims to the Middle District of Louisiana. On September 11, 2013, defendants filed a motion requesting a status conference with the Court to address the status of all pending motions. On October 4, 2013, Plaintiffs filed a petition for a writ of mandamus asking the United States Court of Appeals for the Fifth Circuit to review the MDL Panel’s transfer Order and on February 14, 2014, the Court denied the petition.

While the outcome of this litigation is uncertain given its early phase, SEI and SPTC believe that they have valid defenses to plaintiffs' claims and intend to defend the lawsuits vigorously. Because of the uncertainty of the make-up of the classes, the outcome of the proceeding in the United States Supreme Court, the specific theories of liability that may survive a motion for summary judgment or other dispositive motion, the lack of discovery regarding damages, causation, mitigation and other aspects that may ultimately bear upon loss, the Company is not reasonably able to provide an estimate of loss, if any, with respect to the foregoing lawsuits.

A lawsuit entitled Steven Curd and Rebel Curd v. SEI Investments Management Corporation was filed against SIMC in the United States District Court for the Eastern District of Pennsylvania on December 11, 2013. The plaintiffs bring the case as a shareholder derivative action against SIMC on behalf of certain SEI funds. The claims are based on Section 36(b) of the Investment Company Act of 1940, as amended, which allows shareholders of a mutual fund to sue the investment adviser of the fund for an alleged breach of fiduciary duty with respect to compensation received by the adviser. The plaintiffs have brought the suit against SIMC with respect to five specific SEI Funds: the High Yield Bond, Tax-Managed Large Cap, and Tax-Managed Small/Mid Cap Funds, each of which is a series of the SEI Institutional Managed Trust, the Intermediate Term Municipal Fund, which is a series of the SEI Tax Exempt Trust, and the International Equity Fund, which is a series of the SEI Institutional International Trust. The plaintiffs seek: (1) damages for the funds in the amount of the alleged “excessive” fees earned by SIMC beginning from the one year period prior to the filing of the lawsuit, plus interest, costs, and fees; (2) orders declaring that SIMC allegedly violated Section 36(b) and enjoining SIMC from further alleged violations; and (3) rescission of the advisory contracts between SIMC and the funds, and restitution of all allegedly excessive fees paid beginning from the one year period prior to the filing of the lawsuit, plus interest, costs, and fees. On February 24, 2014, SIMC filed a motion to dismiss the complaint in this lawsuit. While the outcome of this litigation is uncertain given its early phase, SIMC believes that it has valid defenses to plaintiffs' claims and intends to defend the lawsuit vigorously and SIMC is not reasonably able to provide an estimate of the ultimate loss, if any, with respect to this lawsuit.

Executive Officers of the Registrant

Information about our executive officers is contained in Item 10 of this report and is incorporated by reference into this Part I.

Item 4. Mine Safety Disclosures.

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Price Range of Common Stock and Dividends:

Our common stock is traded on The Nasdaq Global Select Market® (NASDAQ) under the symbol "SEIC." The following table shows the high and low sales prices for our common stock as reported by NASDAQ and the dividends declared on our common stock for the last two years. Our Board of Directors intends to declare future dividends on a semiannual basis.

2013	High	Low	Dividends
First Quarter	$29.22	$23.80	$—
Second Quarter	31.29	27.08	0.20
Third Quarter	32.64	27.84	—
Fourth Quarter	34.97	30.19	0.22
2012	High	Low	Dividends
First Quarter	$21.58	$17.00	$—
Second Quarter	21.24	17.03	0.15
Third Quarter	22.84	19.31	—
Fourth Quarter	23.51	20.79	0.48

According to the records of our transfer agent, there were 352 holders of record of our common stock on January 31, 2014. Because many of such shares are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

For information on our equity compensation plans, refer to Note 8 to the Consolidated Financial Statements and Item 12 of this Annual Report on Form 10-K.

ASSUMES $100 INVESTED ON JANUARY 1, 2009 & DIVIDENDS REINVESTED

FISCAL YEAR ENDED DECEMBER 31,

Issuer Purchases of Equity Securities:
Our Board of Directors has authorized the repurchase of up to $2.278 billion worth of our common stock through multiple authorizations. Currently, there is no expiration date for our common stock repurchase program (See Note 8 to the Consolidated Financial Statements).
Information regarding the repurchase of common stock during the three months ended December 31, 2013 is:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
October 1 – 31, 2013	150,000	$33.52	150,000	$ 40,715,000
November 1 – 30, 2013	830,400	33.64	830,400	12,784,000
December 1 – 31, 2013	930,000	34.10	930,000	81,070,000
Total	1,910,400	$33.85	1,910,400	

Item 6. Selected Financial Data.
(In thousands, except per-share data)
This table presents selected consolidated financial information for the five-year period ended December 31, 2013. This data should be read in conjunction with the financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this Annual Report on Form 10-K.

Year Ended December 31,	2013	2012	2011	2010 (A)	2009
Revenues	$1,126,132	$992,522	$929,727	$900,835	$1,060,548
Total expenses	877,723	780,956	725,662	683,302	696,841
Income from operations	248,409	211,566	204,065	217,533	363,707
Other income (expense)	186,989	117,930	114,422	152,248	(1,389)
Income before income taxes	435,398	329,496	318,487	369,781	362,318
Income taxes	146,924	121,462	111,837	136,461	89,886
Net income	288,474	208,034	206,650	233,320	272,432
Less: Net income attributable to the noncontrolling interest	(350)	(1,186)	(1,691)	(1,633)	(98,097)
Net income attributable to SEI Investments	288,124	206,848	204,959	231,687	174,335
Basic earnings per common share	$1.68	$1.19	$1.12	$1.23	$0.91
Shares used to calculate basic earnings per common share	171,561	174,295	182,547	188,468	190,821
Diluted earnings per common share	$1.64	$1.18	$1.11	$1.22	$0.91
Shares used to calculate diluted earnings per common share	175,718	175,872	184,127	190,321	191,783
Cash dividends declared per common share	$0.42	$0.63	$0.27	$0.20	$0.17
Financial Position as of December 31,					
Cash and cash equivalents	$578,273	$452,247	$420,986	$496,292	$590,877
Total assets	1,439,169	1,309,824	1,294,559	1,377,223	1,533,808
Long-term debt (including current portion)	—	—	—	95,000	253,552
SEI Investments Shareholders’ equity	1,156,002	1,038,180	1,025,316	1,041,570	909,723

(A) Beginning in 2010, we discontinued consolidating the accounts and operations of LSV and LSV Employee Group in our financial statements (See Note 2 to the Consolidated Financial Statements for information regarding LSV and LSV Employee Group).

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.
(In thousands, except share and per-share data)
This discussion reviews and analyzes the consolidated financial condition at December 31, 2013 and 2012, the consolidated results of operations for the years ended December 31, 2013, 2012 and 2011, and other factors that may affect future financial performance. This discussion should be read in conjunction with the Selected Financial Data included in Item 6 of this Annual Report and the Consolidated Financial Statements and Notes to the Consolidated Financial Statements included in Item 8 of this Annual Report.
Certain information contained in this discussion is or may be considered forward-looking. Forward-looking statements relate to future operations, strategies, financial results or other developments. Forward-looking statements are based upon estimates and assumptions that involve certain 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.
Overview
Consolidated Summary
We are a leading global provider of investment processing, investment management and investment operations solutions. We help corporations, financial institutions, financial advisors and ultra-high-net-worth families create and manage wealth by providing comprehensive, innovative, investment and investment-business solutions. Investment processing fees are earned as monthly fees for contracted services, including computer processing services, software licenses and investment operations services, as well as transaction-based fees for providing securities valuation and trade-execution. Investment operations and investment management fees are earned as a percentage of average assets under management or administration. As of December 31, 2013, through our subsidiaries and partnerships in which we have a significant interest, we manage or administer $559.2 billion in mutual fund and pooled or separately managed assets, including $231.9 billion in assets under management and $327.3 billion in client assets under administration.
Our Condensed Consolidated Statements of Operations for the years ended 2013, 2012 and 2011 were:

Year Ended December 31,	2013	2012	Percent Change	2011	Percent Change
Revenues	$1,126,132	$992,522	13 %	$929,727	7 %
Expenses	877,723	780,956	12 %	725,662	8 %
Income from operations	248,409	211,566	17 %	204,065	4 %
Net gain from investments	659	14,067	(95)%	3,360	NM
Interest income, net of interest expense	2,713	5,192	(48)%	5,244	(1)%
Equity in earnings of unconsolidated affiliates	118,076	98,671	20 %	105,818	(7)%
Gain on sale of subsidiary	22,112	—	NM	—	— %
Other income	43,429	—	NM	—	— %
Income before income taxes	435,398	329,496	32 %	318,487	3 %
Income taxes	146,924	121,462	21 %	111,837	9 %
Net income	288,474	208,034	39 %	206,650	1 %
Less: Net income attributable to the noncontrolling interest	(350)	(1,186)	(70)%	(1,691)	(30)%
Net income attributable to SEI Investments Company	$288,124	$206,848	39 %	$204,959	1 %
Diluted earnings per common share	$1.64	$1.18	39 %	$1.11	6 %

Significant Items Impacting Our Financial Results in 2013
Revenues increased $133.6 million, or 13 percent, to $1.1 billion in 2013 compared to 2012. Net income attributable to SEI increased $81.3 million, or 39 percent, to $288.1 million and diluted earnings per share increased to $1.64 per share in 2013 compared to $1.18 per share in 2012. We believe the following items were significant to our business

results during 2013:

- Revenue growth was primarily driven by higher Asset management, administration and distribution fees from positive cash flows from new and existing clients and market appreciation. Our average assets under management, excluding LSV, increased $14.9 billion, or 11 percent, to $145.4 billion during 2013 as compared to $130.5 billion during 2012.

- Sales of new business in our Institutional Investors and Investment Managers business segments as well as positive cash receipts from new and existing advisor relationships in our Investment Advisors business segment contributed to the increase in our revenues and profits.
- Revenue growth was also driven by increased Information processing and software servicing fees in our Private Banks segment. The increase was primarily attributable to new business and increased fees earned from our mutual fund trading solution.
- We recorded income of $43.4 million, or $0.16 diluted earnings per share, from a cash settlement payment received during the second quarter pertaining to litigation related to the purchase of securities of Cheyne Finance LLC, a structured investment vehicle (SIV) security (See Note 16 to the Consolidated Financial Statements for more information).
- Our proportionate share in the earnings of LSV was $119.0 million in 2013 as compared to $100.0 million in 2012, an increase of 19 percent. The increase in our earnings was primarily driven by the increase in assets under management of LSV from existing clients due to market appreciation and an increase in performance fees earned by LSV. Our earnings from LSV; however, were negatively impacted by the decrease in our ownership interest from approximately 39.8 percent to approximately 39.3 percent during the second quarter. The reduction in our ownership interest is described in greater detail under the caption "Equity in earnings of unconsolidated affiliates" later in this discussion.
- Our sale of SEI Asset Korea (SEI AK) was completed during the first quarter resulting in a gain of $22.1 million, or $0.08 diluted earnings per share. The gain from the sale is included in Gain on sale of subsidiary on the accompanying Consolidated Statement of Operations. The operating results of SEI AK were included in the Private Banks business segment (See Note 15 to the Consolidated Financial Statements for more information).
- The direct costs associated with our investment management programs increased in our Private Banks and Institutional Investors segments. These costs primarily relate to fees charged by investment advisory firms and are included in Sub-advisory, distribution and other asset management costs on the accompanying Consolidated Statements of Operations.
- Our operating expenses related to personnel and third-party service providers in our Private Banks and Investment Managers segments increased. These increased operational costs are mainly related to servicing new and existing clients and are included in Compensation, benefits and other personnel as well as Consulting, outsourcing and professional fees on the accompanying Consolidated Statements of Operations.
- Stock-based compensation expense increased by $22.1 million during 2013 as compared 2012 due mainly to a change in our estimate of the timing of when stock option vesting targets will be achieved. The change in our estimate resulted from the positive earnings impacts from the previously mentioned cash payment for the litigation settlement and the sale of SEI AK during 2013 (See the caption "Stock-Based Compensation" later in this discussion for more information).
- We capitalized $39.5 million in 2013 for significant enhancements and new functionality for the SEI Wealth Platform as compared to $31.0 million in 2012. Included in the amount for 2013 is a one-time contractual payment of $8.8 million to exercise a conversion option in lieu of periodic fee payments pertaining to a software license for the Platform. Amortization expense related to capitalized software increased to $34.4 million during 2013 as compared to $32.6 million during 2012 primarily due to continued releases of the Platform. Amortization expense during 2012 includes $2.7 million of expense related to the remaining net book value of a component of the Platform that was discontinued.
- Corporate overhead costs increased due to increased stock-based compensation, increased personnel costs and higher costs related to regulatory and compliance matters.
- Our effective tax rates were 33.7 percent in 2013 and 36.9 percent in 2012. The 2013 tax rate was benefited by the changes to the Pennsylvania Tax Law primarily relating to the method of apportioning income to Pennsylvania. These changes have dramatically reduced the deferred tax liability which had accumulated during prior years. Our 2013 tax rate was also benefited by the reinstatement of the research and development tax credit. The 2012 tax rate included the U.S. deferred taxes on the undistributed earnings of SEI AK (See the caption "Income Taxes" later in this discussion for more information).
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We continued our stock repurchase program and purchased approximately 6,789,000 shares at an average price of $30.92 per share for a total cost of $209.9 million.

Significant Items Impacting Our Financial Results in 2012

Revenues increased $62.8 million, or seven percent, to $992.5 million in 2012 compared to 2011. Net income attributable to SEI increased $1.9 million, or one percent, to $206.8 million and diluted earnings per share increased to $1.18 per share in 2012 compared to $1.11 per share in 2011. We believe the following items were significant to our business during 2012:

- Revenue growth in 2012 was primarily driven by higher Asset management, administration and distribution fees from improved cash flows from new and existing clients and the net market appreciation during 2012. Our average assets under management, excluding LSV, increased $13.5 billion, or 12 percent, to $130.5 billion during 2012 as compared to $117.0 billion during 2011.
- Sales of new business in our Institutional Investors and Investment Managers business segments as well as positive cash receipts from new and existing advisor relationships in our Investment Advisors business segment contributed to the increase in our revenues and profits.
- Our investment processing fees in our Private Banks business segment increased due to new business, higher one-time project revenue and increased fees earned on our mutual fund trading solution.
- Our proportionate share in the earnings of LSV was $100.0 million in 2012 as compared to $105.8 million in 2011. The decrease in our earnings was primarily due to lower profits caused by increased personnel costs as well as a decrease in our ownership percentage from approximately 41.2 percent to approximately 39.8 percent beginning with the second quarter 2012. The reduction in our ownership percentage is described in greater detail under the caption "Equity in earnings of unconsolidated affiliates" later in this discussion.
- Our operating expenses related to servicing new and existing clients implemented on the Platform increased during 2012 as we continue to build out the operational infrastructure. These increased operational costs, mainly related to personnel and third party service providers, primarily impacted the Private Banks business segment. The increased operational costs are primarily included in Compensation, benefits and other personnel on the accompanying Consolidated Statements of Operations.
- Our consulting costs incurred for the development of the Platform, excluding amounts capitalized, have declined during 2012 as compared to 2011. These consulting costs, which are expensed as incurred, are included in Consulting, outsourcing and professional fees on the accompanying Consolidated Statements of Operations.
- Our operating expenses related to our hedge fund and separately managed accounts solutions of our Investment Managers business segment increased during 2012 as compared to 2011. These increased operational costs, mainly related to personnel, resulted from servicing new and existing clients and are also included in Compensation, benefits and other personnel on the accompanying Consolidated Statements of Operations.
- Sales events, net of client losses, were significantly higher during 2012. These sales events resulted in an increase in sales compensation expense of $12.8 million when compared 2011. Also, incentive compensation expense increased in 2012 as compared to 2011.
- Amortization expense related to capitalized software increased to $32.6 million during 2012 as compared to $26.2 million during 2011 primarily due to continued releases of the Platform. Additionally, we decided to discontinue the use of specific functionality within the platform and incurred $2.7 million of amortization expense related to the remaining net book value of the component during 2012. This expense was recognized in our Private Banks business segment.
- We recognized gains of $13.2 million in 2012 and $3.4 million in 2011 from SIV securities. In November 2012, we sold our remaining SIV security, the senior notes issued by Gryphon, and recognized a gain of $5.3 million from the sale. We no longer own any SIV securities at December 31, 2012 (See Notes 5 and 6 to the Consolidated Financial Statements).
- Our effective tax rates were 36.9 percent in 2012 and 35.2 percent in 2011. The increase in our tax rate was due to the accrual of taxes on the cumulative undistributed earnings of SEI AK as well as the impact of the Domestic Production Activities Deduction which benefited our tax rate in 2011.
- We continued our stock repurchase program and purchased approximately 7,528,000 shares at an average price of $20.62 per share for a total cost of $155.3 million. Our stock repurchases during 2012 significantly contributed to our growth in earnings per share.

Product Development - SEI Wealth Platform

Much of our product development efforts have been focused on building and delivering the SEI Wealth Platform. The Platform is a business solution heavily supported by technology to drive our entry into the European private bank market, improve client experience capabilities, and strengthen operating efficiencies. The Platform combines internally built functionality and third party applications and integrates them into a single solution with a single user experience. The goal is to provide straight through business processing and transform the middle and back office operations that exist today. The capabilities of the Platform will expand our service offerings to include large financial institutions, investment advisors, insurance companies,

brokerage houses, and other similar institutions. In addition, the capabilities of the Platform provide us the opportunity to enter into new global markets.
The initial version of the Platform was offered in July 2007 in the United Kingdom. Since then, we have signed 20 independent wealth advisors and other wealth managers in the United Kingdom and signed 9 banks in the United States. We have also converted a small, select group of investment advisors in the United States. While these are encouraging signs of progress, we acknowledge the Platform is still in the early stage of deployment. We will continue to focus our development efforts on enhancing the functionality of the Platform and building the operational infrastructure for a wider deployment of the Platform to financial institutions and investment advisors in the United States. The aggregate cost attributable to the Platform, including amortization expense, may increase in 2014.
An area of continued focus is improving the operational efficiency of the Platform that would promote scale more quickly. Our operational costs consist mainly of third-party vendor costs and SEI personnel. We are investing in the operational infrastructure that will attempt to provide a sustainable operating model that minimizes cost as revenues increase. However, if we are unable to price our services correctly and to provide an attractive value proposition for our prospective clients, the incremental rate of revenue and profits may be hampered.
As we progress through these different stages of deployment of the Platform to a broader market, we expect to encounter numerous challenges; however, in our opinion, the Platform promises to provide a significant opportunity to expand our services into new markets that will increase revenues and profits in the long-term. Until we attain a level of revenues that technological and operational scale can be achieved, we expect continued pressure on our operating margins in the Private Banks business segment and an increased level of pressure on our operating margins in the Investment Advisors business segment.
Sensitivity of our revenues and earnings to capital market fluctuations
The majority of our revenues are based on the value of assets invested in investment products that we manage or administer which are affected by changes in the capital markets. The prevailing capital market conditions during 2013 had a net positive impact on our asset-based investment management fees thereby increasing our base revenues. Conversely, prolonged future downturns in the general capital markets could have adverse affects on our revenues and earnings derived from assets under management and administration.

Ending Asset Balances

This table presents ending asset balances of our clients, or of our clients' customers, for which we provide management or administrative services through our subsidiaries and partnerships in which we have a significant interest.

Ending Asset Balances

(In millions)	As of December 31,					
	2013	2012	Percent Change		2011	Percent Change	
Private Banks:							
Equity and fixed income programs (a)	$15,472	$18,862	(18	)%	$16,435	15	%
Collective trust fund programs	14	11	27	%	450	(98	)%
Liquidity funds	5,685	6,008	(5	)%	5,553	8	%
Total assets under management	$21,171	$24,881	(15	)%	$22,438	11	%
Client proprietary assets under administration	15,272	12,178	25	%	10,355	18	%
Total assets	$36,443	$37,059	(2	)%	$32,793	13	%
Investment Advisors:							
Equity and fixed income programs	$38,574	$31,220	24	%	$26,639	17	%
Collective trust fund programs	11	14	(21	)%	1,298	(99	)%
Liquidity funds	2,846	2,514	13	%	2,505	—	%
Total assets under management	$41,431	$33,748	23	%	$30,442	11	%
Institutional Investors:							
Equity and fixed income programs	$66,548	$62,160	7	%	$49,051	27	%
Collective trust fund programs	109	102	7	%	492	(79	)%
Liquidity funds	2,644	2,454	8	%	3,888	(37	)%
Total assets under management	$69,301	$64,716	7	%	$53,431	21	%
Investment Managers:							
Equity and fixed income programs	$69	$67	3	%	$57	18	%
Collective trust fund programs	22,377	16,197	38	%	11,255	44	%
Liquidity funds	718	408	76	%	152	168	%
Total assets under management	$23,164	$16,672	39	%	$11,464	45	%
Client proprietary assets under administration	311,992	244,671	28	%	221,198	11	%
Total assets	$335,156	$261,343	28	%	$232,662	12	%
Investments in New Businesses:							
Equity and fixed income programs	$619	$513	21	%	$515	—	%
Liquidity funds	46	43	7	%	37	16	%
Total assets under management	$665	$556	20	%	$552	1	%
LSV:							
Equity and fixed income programs	$76,189	$60,947	25	%	$53,712	13	%
Total:							
Equity and fixed income programs (a)	$197,471	$173,769	14	%	$146,409	19	%
Collective trust fund programs	22,511	16,324	38	%	13,495	21	%
Liquidity funds	11,939	11,427	4	%	12,135	(6	)%
Total assets under management	$231,921	$201,520	15	%	$172,039	17	%
Client proprietary assets under administration	327,264	256,849	27	%	231,553	11	%
Total assets under management and administration	$559,185	$458,369	22	%	$403,592	14	%

(a) Equity and fixed income programs in the Private Banks segment in 2012 and 2011 includes $7.0 billion and $6.7 billion, respectively, in assets related to SEI AK which was sold in the first quarter of 2013 (See Note 15 to the Consolidated Financial Statements).

Average Asset Balances

This table presents average asset balances of our clients, or of our clients' customers, for which we provide management or administrative services through our subsidiaries and partnerships in which we have a significant interest.

Average Asset Balances

(In millions)	For the Year Ended December 31,					
	2013	2012	Percent Change		2011	Percent Change	
Private Banks:							
Equity and fixed income programs (a)	$15,188	$17,434	(13	)%	$15,891	10	%
Collective trust fund programs	11	282	(96	)%	526	(46	)%
Liquidity funds	5,252	5,332	(2	)%	5,145	4	%
Total assets under management	$20,451	$23,048	(11	)%	$21,562	7	%
Client proprietary assets under administration	13,626	10,873	25	%	10,672	2	%
Total assets	$34,077	$33,921	—	%	$32,234	5	%
Investment Advisors:							
Equity and fixed income programs	$35,290	$29,611	19	%	$27,274	9	%
Collective trust fund programs	14	728	(98	)%	1,497	(51	)%
Liquidity funds	2,355	1,970	20	%	1,970	—	%
Total assets under management	$37,659	$32,309	17	%	$30,741	5	%
Institutional Investors:							
Equity and fixed income programs	$64,003	$56,584	13	%	$49,895	13	%
Collective trust fund programs	106	312	(66	)%	542	(42	)%
Liquidity funds	2,937	3,415	(14	)%	3,453	(1	)%
Total assets under management	$67,046	$60,311	11	%	$53,890	12	%
Investment Managers:							
Equity and fixed income programs	$74	$63	17	%	$39	62	%
Collective trust fund programs	18,985	13,873	37	%	9,978	39	%
Liquidity funds	554	276	101	%	199	39	%
Total assets under management	$19,613	$14,212	38	%	$10,216	39	%
Client proprietary assets under administration	286,208	233,024	23	%	235,096	(1	)%
Total assets	$305,821	$247,236	24	%	$245,312	1	%
Investments in New Businesses:							
Equity and fixed income programs	$577	$537	7	%	$545	(1	)%
Liquidity funds	33	35	(6	)%	47	(26	)%
Total assets under management	$610	$572	7				