

Manager Research in Times of Crisis

March 2020

SEI New ways.
New answers.®

- Under normal circumstances, SEI's Manager Research team evaluates managers on a recurring basis as part of our standard practice.
- In light of the coronavirus crisis and subsequent travel restrictions, we have asked the firms we work with to provide additional information this quarter.
- Importantly, all of our managers are in business continuity mode, and the crisis has not necessarily been an impediment to how they do business.

SEI's Manager Research group carries out the sourcing, analysis, selection and ongoing monitoring of investment managers. Manager Research has a global presence with analysts in the United States, Canada, London and Hong Kong. This reach extends our ability to understand managers' local peculiarities and usually provides convenient access to visit them on-site to gain genuine familiarity with their teams and processes.

Under normal circumstances, SEI's Manager Research team evaluates managers on a recurring basis as part of our standard practice. Managers that have been funded in our mutual funds or managed accounts are under continual review. We monitor performance and conduct attribution analysis regularly.

A significant part of our investment theses are dedicated to describing expectations for how a manager should be expected to respond to trends or factors—such as a sharp shift to higher volatility or down-market environment.

Quarterly, if not more frequently, we speak with every manager that we cover—funded or not—in an effort to evaluate their decisions and outlook. Part of this may entail our analysts visiting managers at their offices, at least annually, for unfettered access to the full investment team in their working environment.

A lot can happen in a year, and the goal of our re-certification process is to make sure that our theses remain accurate, and that we remain engaged on developments, large and small, that might impact our understanding of each manager.

Broad and Continuous Oversight and Contact*

Manager Meetings	2019	2018	2017	2016
Telephone	834	762	859	809
Meeting at SEI/Neutral	311	281	297	270
Meeting at Manager	477	480	401	398
Prospecting	703	654	825	797
Maintenance	919	869	732	680
Total Activity	1,622	1,523	1,557	1,477

*Traditional Strategies

A Highly Unusual Environment for All

In light of the coronavirus crisis and subsequent travel restrictions, we have asked the managers that we work with to provide additional information this quarter regarding how the change in the work environment exposed new business risks and what impact the reduction in assets is having on firm profitability.

This exercise is intended to go beyond what is already included in our standard quarterly due-diligence questionnaire.

We expect that over the course of the next month, we will receive nearly 200 responses to these supplemental questions. Given the highly unusual nature of the environment we are in, a summary note on key findings will be forthcoming to provide additional analysis and detail.

Our Outlook

Importantly, all of our managers are in business continuity mode. Most are working from home, many with technology that allows them to talk freely with their

colleagues throughout the day. Despite the extraordinary circumstances most are faced with, the investment process itself appears to be business as usual.

We believe the managers are faring this condition well, and it has not been an impediment to how they trade nor how they do what they do best—the functions of investment analysis and communication.

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