

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended: December 31, 2001

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)

<TABLE>

<S>

Pennsylvania

<C>

23-1707341

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification Number)

1 Freedom Valley Drive, Oaks, Pennsylvania

19456-1100

(Address of principal executive offices)

(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

None

</TABLE>

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value \$.01 per share

(Title of class)

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 No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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.

The aggregate market value of the voting stock (Common Stock) held by non-affiliates of the registrant as of the close of business on February 28, 2002 was approximately \$2.6 billion based on the closing sale price as reported by NASDAQ. For purposes of making this calculation only, the registrant has defined affiliates as including all directors and beneficial owners of more than ten percent of the common stock of the registrant.

(Cover page 1 of 2 pages)

1

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13, or 14(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

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. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

General Development of Business

SEI Investments Company was incorporated in Pennsylvania in 1968 and initially offered shares to the public in March 1981. Our principal wholly owned subsidiaries are SEI Investments Distribution Company ("SIDCO"), SEI Investments Management Corporation ("SIMC"), and SEI Private Trust Company ("SPTC"). SIDCO is a broker-dealer registered with the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc. SIMC is an investment advisor registered with the SEC under the Investment Advisers Act of 1940. SPTC is a federal savings and loan entity chartered and regulated by the Office of Thrift Supervision.

We introduced our first trust accounting system to bank trust departments in 1972. Today, through SIMC, this technology service is offered through our TRUST 3000(TM) product line that provides product capabilities and processing power to serve large trust institutions. Through the use of our TRUST 3000 product line, SPTC provides back-office accounting and processing services to trust institutions, allowing these institutions to outsource their trust operations and related investment functions.

In 1982, we began to sponsor a number of investment products, primarily in the form of registered investment companies sold to institutional investors and financial intermediaries. SIDCO and SIMC provide various asset management services that enable clients to establish asset allocation strategies and gain access to top-quality investment managers. We have expanded our asset management services outside the United States by targeting selected foreign markets for our investment management programs.

SIDCO and SIMC also provide a full range of administration and distribution services to proprietary mutual funds established by banks and other financial institutions and intermediaries. The client serves as the investment advisor for the proprietary funds, and the mutual funds are sold primarily to customers of the client.

4

Industry Segments

We measure financial information internally through the following segments: Private Banking & Trust, Investment Advisors, Enterprises, Money Managers, and Investments in New Businesses. Private Banking & Trust, which accounted for 55 percent of consolidated revenues in 2001, provides investment processing solutions, fund processing solutions, and investment management programs to banks and private trust companies. Investment Advisors, which accounted for 24 percent of consolidated revenues in 2001, provides investment management programs and investment processing solutions to affluent investors through a network of financial intermediaries: independent registered investment advisors, financial planners, and other investment professionals. Enterprises, which accounted for 10 percent of consolidated revenues in 2001, provides retirement and treasury business solutions for corporations, unions, foundations and endowments, and other institutional investors. Money Managers, which accounted for 5 percent of consolidated revenues in 2001, provides investment solutions to U.S.-based investment managers, U.S.-based mutual fund companies and alternative investment managers worldwide. Investments in New Businesses, which accounted for 6 percent of consolidated revenues in 2001, includes our global businesses, as well as initiatives in new U.S. markets. Our global business offerings include: investment management, fund processing, and investment processing solutions to non-U.S. banks, investment advisors, enterprises and money managers.

Our operations and organizational structures were realigned in 2001 into business units that offer products and services tailored for particular market segments. Financial information for periods prior to 2001 has been restated to conform to current year presentation. Financial information about each market segment is contained in Note 12 of the Notes to Consolidated Financial Statements in Item 8, and a discussion about each business segment is included in Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7.

Private Banking & Trust

Our comprehensive software products and computer processing services help trust

institutions manage investments for their personal and institutional investors. TRUST 3000 is a complete trust accounting and investment system with fully automated securities movement and control linked directly to the Depository Trust Company. It offers investment management functionality through a number of integrated products and sub-systems that supports investment accounting, client administration, portfolio analysis, and trade order processing for both domestic and global securities processing. TRUST 3000 also provides access to multiple third-party pricing and asset related information. Through training, custom programming and our open architecture strategy, we help adapt our products to each client's particular needs. Clients access TRUST 3000 utilizing terminals and workstations that are connected to our data center.

The value of TRUST 3000 has been enhanced by the StrataQuest(TM) product line which includes technology platform products that manage the flow of data and allow for the integration of TRUST 3000 information with any application operating in the clients' distributed computing environment. StrataQuest is a flexible combination of modular workstation application products that transform data into user-friendly customer service and investment analysis desktop applications.

Our Internet access products, which run in a service bureau environment, are an extension of our investment processing services. StrataWeb(TM) is our Internet solution for accessing trust information. It provides our clients' customers the ability to access real-time account information through the Internet. StrataWeb reduces the number of inquiry related phone calls and has e-mail capabilities, customizable features and a secure website that can be integrated with a client's website.

For institutional clients who wish to outsource their trust department operations and processes, we combine our technological strength and investment expertise to assume the entire back-office trust function. SPTC provides processing, reporting, and custody services. SPTC also automates and centralizes the client's trust accounting, income collections, securities settlement, and securities processing functions. In addition, SPTC prepares and processes customer statements, investment reviews, and employee benefit accrual reports and remittances to the clients' customers.

Clients can affect purchases and redemptions of our liquidity products through an automated subsystem that performs daily sweeps of trust accounts and invests the available cash. Bank clients can also invest in our Tri-Party Repurchase Agreement program that offers competitive yields for short-term investing.

5

Some clients can remit payment for services, subject to applicable regulatory guidelines, by directing brokerage commissions to SIDCO through certain clearing agents or clearing brokers. These clients may also apply a portion of such directed brokerage commissions to defray certain other third-party costs. As a result of the directed brokerage business, revenues may be affected by changes in market trading volume or changes in government regulations affecting directed brokerage payments.

The market for our trust accounting and management information services consists primarily of bank trust departments and other trust institutions. At December 31, 2001, there were approximately 160 trust departments, including trust departments of 19 of the 50 largest U.S. banks, utilizing our trust accounting and management information services. Customer contracts are generally between three to seven years and revenues are based on monthly processing and software application service fees. Our principal competitors include Fidelity-Trust Technology Services LLC, SunGard Data Systems, Marshall and Isley, and financial institutions that operate their own trust accounting systems.

We also provide administration and distribution services to mutual funds and other pools of money sponsored or held by banks for which the client serves as the investment advisor. Administration services consist of: fund accounting, investment tracking, transaction processing, pricing, investment and tax reporting, regulatory compliance and daily support. Our distribution services focus on identifying distribution opportunities and establishing product and program strategies that assist the client in attracting and retaining assets. This includes assistance with developing and executing business and marketing plans.

At December 31, 2001, we provided administration and distribution services to 21 banks with proprietary mutual fund assets under administration of approximately \$102.2 billion. Our contracts with bank mutual fund complexes have initial terms ranging from two to five years. Our principal competitors for our administration and distribution services provided to bank mutual fund complexes include The BISYS Group, Federated Investors, Inc., PFPC/First Data Investor Services Group, State Street Bank and Trust Company, and Investment Company Administrators.

Consolidations in the banking industry may reduce the number of bank prospects and/or eliminate customers from our user base. However, the economic pressures on the banking industry may also create a greater demand for outsourcing services, as banks increasingly focus on their core strengths.

Investment Advisors

We deliver business building solutions to independent broker-dealers, registered investment advisors, financial planners, and life insurance producers located in the United States. Our programs permit these advisors to outsource many aspects of asset management, back-office operations, marketing, and client services; allowing them to focus their resources on creating financial plans, implementing investment strategies, and educating and servicing their clients. The investment programs offered through these financial advisors are targeted to attract the assets of high-net-worth individuals (defined as individuals with over \$500,000 of investable assets) and small to medium sized institutional plans.

There are five key principles of our investment philosophy: asset allocation, portfolio structure, tax management, specialist investment, and continuous portfolio management. Financial advisors are offered various asset allocation models that provide diversification among investment classes and periodic rebalancing to achieve the investor's objectives. The programs allow access to some of the best style-specific money managers normally not available to individual investors. This innovative approach, called Manager of Managers, ensures adherence to our disciplined investment principles because each manager's performance is tracked and scrutinized. We also provide comprehensive support services, including accounting and investor reporting, to our clients.

Investment management components consist of mutual funds and separate account managers. Clients are able to customize portfolios to include separate account managers as well as mutual funds. We offer a wide range of investment solutions including tax managed programs. Through SIMC, we serve as the administrator, transfer agent, and fund accountant for the mutual funds. We also act as the investment advisor for many of these products. The investment advisory and administration contracts between SIMC and the funds are subject to renewal annually by the board of trustees of the funds. These contracts provide for the payment of administrative fees based on a percentage of the average daily net assets of each fund.

6

At December 31, 2001, there were approximately 4,100 clients using our asset management programs through separate accounts or through our mutual funds with \$27.4 billion in assets invested. The principal competition for our asset management products is from other investment advisors and mutual fund companies. In the advisor distributor channel, our main competition is Lockwood Advisors, Inc., which offers a separate account wrap product. Revenues are affected by changes in the value of securities traded in various financial markets. Fees are earned as a percentage of average assets under management.

Enterprises

We provide investment solutions that enable pension plan sponsors, hospitals, foundations, endowment funds, and other institutional investors located in the United States, to outsource their investment management process. Our investment solution integrates a strategic platform with the Manager of Managers investment process and complete plan administrative services, including trustee, custodial, payment, and record keeping services. Using a disciplined fund management process, we work with each client to develop asset management strategies that are consistent with the client's actuarial valuation, asset liability modeling, and investment restrictions. Then, through the combination of our portfolio construction process, multiple asset classes, and style allocations, we work toward the client's investment goals. We implement our client's strategy through our mutual funds that employ sub-advisors that are specialists in a particular style. The potential benefit of this method is improved performance with reduced volatility because it eliminates the task of attempting to estimate which style of investing will be in favor at any point in time. Specialist-advisors are monitored for performance, so trading strategies conform to predetermined market, sector, and style characteristics. We maintain the asset class exposure within the specifically defined boundaries of our client's asset allocation plan by incorporating a formal rebalancing program in our asset management process. Overall, diversifying by asset class, manager style, sub-style, and sector tends to reduce volatility while improving the prospects for long-term growth. The principal competition for our asset management products offered in this segment is from Frank Russell, a subsidiary of Northwestern Mutual.

We also apply our expertise to short term investments which primarily consist of money market funds and our Repurchase Agreement Program. We assist corporations in developing investment programs to meet their unique cash flow needs by coordinating investment strategies with expected disbursements. CashStrategies(R) helps treasurers analyze cash flow and develop dynamic cash management strategies, which they can then execute with our investment products. TreasuryPoint(TM) is an ASP solution designed to facilitate a more efficient working capital process. TreasuryPoint offers a trading platform for institutional money market funds enabling users to select among the top liquidity families, and then execute on those choices from their desktops. The target market for our liquidity products and services are corporations located in the United States. Our principal competitor's in liquidity products and services include Federated Investors, Inc.; Fidelity Management Corporation; Goldman, Sachs & Co.; and PNC Bank; and other mutual fund complexes that market

to institutional investors.

At December 31, 2001, there were approximately 500 clients using our liquidity products and our asset management programs with \$15.4 billion in assets invested. Revenues are affected by changes in the value of securities traded in various financial markets. Fees are primarily earned as a percentage of average assets under management.

Money Managers

We provide mutual fund processing to investment managers located in the United States and to alternative investment managers worldwide including: fund accounting, administration, marketing and distribution, and shareholder services. Fund accounting and administration services comprise investment tracking, transaction processing, pricing, investment and tax reporting, regulatory compliance and daily support. Distribution services focus on identifying distribution opportunities and establishing product and program strategies that will assist the client in attracting and retaining assets. This includes assistance with developing and executing business and marketing plans. Additionally, we maintain an office in Dublin, Ireland that offers administrative services, distribution consulting services, and marketing support services to fund complexes in international markets. This multidisciplinary global team is experienced in administering a full range of investment structures including mutual funds, money funds, and hedge funds. Our principal competitors include The BISYS Group, Federated Investors, Inc., PFPC/First Data Investor Services Group, State Street Bank and Trust Company, and Investment Company Administrators.

7

At December 31, 2001 we provided mutual fund processing services to 100 investment management companies and alternative investment managers with mutual fund assets under management and administration of approximately \$79.4 billion. Our contracts with mutual fund complexes have initial terms ranging from two to five years. Revenues are affected by changes in the value of securities traded in various financial markets. Fees are primarily earned as a percentage of average assets under management and administration.

Investments in New Businesses

We have several other business ventures intended to expand our asset management programs and services to high-net-worth investors, pension plans, governmental organizations, and private corporations in certain foreign countries.

Using the same asset management disciplines that have benefited our U.S. clients, we provide investment management programs tailored to the needs of institutional and affluent individual investors in selected target markets: Canada, Europe/South Africa, Latin America, and Asia. These initial efforts have created distribution channels for our asset management services and have positioned us for the introduction of new products. We have begun to enter the global asset management marketplace through acquisitions, joint ventures with local firms and the startup of satellite offices outside the United States.

Our approach is to expand existing business lines into a coherent global business consistent with our U.S. strategy of providing portfolio solution offerings rather than product sales. These portfolio solution offerings are focused on allocation of assets among the portfolio's specialist money managers and direction and evaluation of the investment services provided by these selected managers. Additionally, our services include the delivery of local investment management as part of a portfolio solution and local distribution and marketing.

We are expanding our investment solutions to include affluent families located in the United States. The family wealth management solution offers a flexible family office that offers a highly personalized solution while utilizing the Manager of Managers investment process.

At December 31, 2001, there were approximately 240 clients who utilize our international asset management programs with \$10.8 billion in assets invested. The global market for financial services is highly competitive and is subject to regulatory and financial constraints. Additionally, we have to overcome recognition and branding hurdles caused by lack of a historical record in a particular market. We attempt to overcome these obstacles by partnering with local firms with an established market presence. We believe that this also helps us in making decisions about product packaging and distribution strategies because we get access to a staff that understands the culture. Revenues are affected by changes in the value of securities traded in various financial markets. Fees are primarily earned as a percentage of average assets under management.

Other

Equity Investments

- - - - -

LSV Asset Management ("LSV") is a partnership formed with three leading academics in the field of finance. LSV, a registered investment advisor, provides investment advisory services to institutions, including pension plans and investment companies. LSV is a value-oriented, contrarian money manager that offers a deep-value investment alternative utilizing a proprietary equity investment model to identify securities that are generally considered to be out of favor by the market. LSV is currently the specialist advisor to a portion of the SEI Large Cap Value Funds and the SEI Small Cap Value Funds. In addition, LSV is a portfolio manager to a portion of our global investment products. Approximately 10 percent of the total assets managed by LSV relate to our products. LSV is accounted for using the equity method of accounting due to our less than 50 percent ownership. At December 31, 2001, our interest in LSV was approximately 44 percent of the partnership's total interests. Our portion of LSV's net operating income was \$10.3 million in 2001, \$7.5 million in 2000, and \$6.8 million in 1999.

Marketing and Sales

We employ 34 sales representatives in Private Banking & Trust, 41 sales representatives in Investment Advisors, 31 sales representatives in Enterprises, 21 sales representatives in Money Managers, and 31 sales representatives in Investments in New Businesses. These sales personnel operate from 17 offices located in Oaks, Pennsylvania; San Francisco, California; Chicago, Illinois; Boston, Massachusetts; New York, New York; Norcross, Georgia; Toronto, Ontario; Montreal, Quebec; Vancouver, British Columbia; Halifax, Nova Scotia; Paris,

8

France; Dublin, Ireland; Johannesburg, South Africa; Central Hong Kong, Hong Kong; Buenos Aires, Argentina, Mexico City, Mexico; and London, United Kingdom.

Customers

We currently serve approximately 5,300 clients. For the year ended December 31, 2001, no single customer accounted for more than 10 percent of revenues in any industry segment.

Research and Development Expenditures

We expended, including amounts capitalized, approximately \$61,521,000 (9.3 percent of revenues) in 2001, \$58,666,000 (9.8 percent of revenues) in 2000, and \$42,788,000 (9.4 percent of revenues) in 1999 to design, develop, and modify existing or new products and services.

Development of New Products and Services

We believe service to existing and potential customers is enhanced by substantial investment in improving existing software products and developing new products and services for the financial industry. To sustain and enhance our competitive position in the industry, we are committed to a continuous and high level of expenditures for research and development. We utilize numerous professionals solely dedicated to the design, development, and enhancement of our software products. Maintenance and enhancement releases occur regularly for each platform.

Business Builder is a web site created to assist a Registered Investment Advisor ("RIA") with the ability to access pertinent information about their client's accounts and to transfer information requests to us via e-mail. This information would include items such as the investment holdings in the account, the market value, transactions and tax lots, and statement and tax-related data. The site also provides reporting capabilities that allows an RIA to see information across all of their accounts, such as transactions, transfers, and correspondence with the RIA's clients. By providing account level and summary information of the RIA's business, they are then able to make decisions about what clients need the most servicing, the value of their account base, and a status report of investment activities submitted to us.

The Separately Managed Investment Accounts Program provides financial advisors with another investment strategy to offer to high-net-worth and institutional investors. This integrated program is comprised of specialists money managers that manage individual portfolios of stocks or bonds based on a specific investment style. We simplify the administration tasks for advisors by providing an integrated back-office, standard reporting as well as after-tax performance reporting. We also offer tax-efficient transiting of securities, automatic quarterly rebalancing and the option of restricting individual or groups of securities.

The Real Time Messaging ("RTM") platform is an extension of our open architecture strategy that will link our products to multiple financial networks, financial partners and service providers. The RTM platform communicates in a real-time mode to allow us to share trade information with our

partners. By employing a hub technology, the RTM platform reduces the complexity and cost of integrating disparate applications and provides standard and proprietary message formats and standard communication connectivity. It also provides a common foundation to accommodate rapidly changing enterprise applications.

The Net Asset Value ("NAV") platform is being developed to provide significant improvement in the ratio of portfolios per analyst, the standard measure of productivity in the funds processing business. Currently, analysts spend most of their time in actual data processing activities or identifying problem areas instead of resolving them. The concept of NAV is to have the system perform all the standard data processing and validation functions and to identify exceptions to the processing rules which can not be resolved by the system. NAV is expected to make the analysts job more analytical rather than task oriented by providing access to multiple best of breed accounting systems without retraining staff, and a platform from which to disseminate data back to our clients more efficiently.

As part of our full service solution for clients, we have invested significantly in software products that would enhance our client service capabilities. ImageStation is a highly sophisticated document imaging and workflow system comprised of five applications that allows the processing and imaging of over 9,000 documents on a

9

weekly basis. It also allows our service teams instant online access to documents that can be referenced during client service calls. NxAS is a transaction processing system that is a web-based application designed to enhance and streamline the processing of transactions, especially the new account opening process. NxAS is expected to reduce new account data entry by an estimated 75 percent and significantly reduce the number of errors during account setup.

Regulatory Considerations

SIDCO and SIMC are subject to various federal and state laws and regulations that grant supervisory agencies, including the SEC, broad administrative powers. In the event of a failure to comply with such laws and regulations, the possible sanctions that may be imposed include the suspension of individual employees, limitations on the permissibility of SIDCO, SIMC, SEI, and other SEI subsidiaries to engage in business for specified periods of time, the revocation of applicable registration as a broker-dealer or investment advisor, as the case may be, censures, and fines. Each of SEI Trust and SPTC is subject to laws and regulations imposed by Federal and state banking authorities. In the event of a failure to comply with these laws and regulations, restrictions, including, without limitation, revocation of applicable banking charter, may be placed on the business of each of SPTC and SEI Trust. Additionally, the securities and banking laws applicable to SEI and its subsidiaries provide for certain private rights of action that could give rise to civil litigation. Any such litigation could have significant financial and non-financial consequences including money judgments and the requirement to take action or limit activities that could ultimately affect our business.

We offer investment and banking products that also are subject to regulation by the federal and state securities and banking authorities, as well as non-U.S. regulatory authorities, where applicable. Existing or future regulations that affect these products could lead to a reduction in sales of such products. Directed brokerage payment arrangements offered by us are also subject to SEC and other federal regulatory authorities. Changes in the regulation of directed brokerage or soft dollar payment arrangements could affect sales of some services, primarily our brokerage services.

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. Plan sponsor clients are subject to supervision by the Department of Labor and compliance with employee benefit regulations. Investment advisor clients are regulated by the SEC and state securities authorities. Existing or future regulations applicable to our clients may affect such clients' purchase of our products and services.

Personnel - -----

At February 28, 2002, we had approximately 1,800 full-time and 90 part-time employees. None of our employees are represented by a labor union. Management considers employee relations to be good.

10

Item 2. Properties. -----

Our corporate headquarters is located in Oaks, Pennsylvania. The corporate campus consists of six buildings situated on approximately 90 acres. We own and

operate the land and buildings, which encompasses approximately 265,000 square feet. We are currently constructing two additional buildings and a parking structure that will be completed by the end of 2002. Our data center and warehouse facility is housed in an additional 70,000 square feet of leased space in Wayne, Pennsylvania. We also lease an additional 67,500 square feet of space in Wayne for our mutual funds operation. All other offices that we lease aggregate 92,000 square feet. Additionally, we own a New York City condominium (3,400 square feet) used for business purposes.

Item 3. Legal Proceedings.

There are no legal proceedings to which we are a party or to which any of our properties is subject that we believe will have a material adverse effect on our business.

Item 4. Submission of Matters to a Vote of Security Holders.

There were no matters submitted to a vote of security holders during the fourth quarter of 2001.

Information with regard to our executive officers is contained in Item 10 hereof and is incorporated by reference to this Part I.

11

PART II

Item 5. Market for the Registrant's Securities and Related Stockholder Matters.

Price Range of Common Stock:

Our common stock is traded in the NASDAQ National Market System under the symbol "SEIC". The following table shows the range of sales prices on the NASDAQ National Market System for the periods indicated.

2001	High	Low
-----	-----	-----
First Quarter	\$54.91	\$27.88
Second Quarter	48.00	26.25
Third Quarter	51.75	27.27
Fourth Quarter	46.00	28.85
2000	High	Low
-----	-----	-----
First Quarter	\$20.13	\$14.38
Second Quarter	24.58	16.50
Third Quarter	37.56	21.00
Fourth Quarter	62.84	27.19

As of February 28, 2002, there were approximately 700 shareholders of record. The Board of Directors declared a \$.05 dividend in May and December of 2001, and a \$.04 dividend in May and December of 2000. The Board of Directors has indicated its intention to pay future dividends on a semiannual basis. All stock prices have been restated to reflect the two-for-one stock split paid in February 2001 (See Note 8 of the Notes to the Consolidated Financial Statements).

12

Item 6. Selected Financial Data.

(In thousands, except per share data)

The following table summarizes selected financial data for the five years in the period ended December 31, 2001. The historical selected financial data for each of the three years in the period ended December 31, 2001 are derived from, and are qualified by reference to, the financial statements which are included with Item 8 in this report. Those financial statements have been audited by Arthur Andersen LLP, independent public accountants, to the extent indicated in their reports. 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 report.

<TABLE>
<CAPTION>
For the Year Ended December 31,

	2001	2000	1999	1998	1997
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>

Revenues	\$658,013	\$598,806	\$456,192	\$366,119	\$292,749
Expenses:					
Operating and development	298,728	279,024	215,216	180,937	148,536
Sales and marketing	152,642	154,984	126,184	103,834	84,770
General and administrative	23,457	16,839	12,298	13,463	13,931
	-----	-----	-----	-----	-----
Income from operations	183,186	147,959	102,494	67,885	45,512
Equity in the earnings of unconsolidated affiliate ..	10,342	7,533	6,765	3,015	--
Interest income	6,945	6,419	2,285	1,558	983
Interest expense	(2,149)	(2,293)	(2,375)	(2,575)	(2,488)
	-----	-----	-----	-----	-----
Income from continuing operations					
before income taxes	198,324	159,618	109,169	69,883	44,007
Income taxes	73,380	60,655	42,030	26,904	17,163
	-----	-----	-----	-----	-----
Income from continuing operations	124,944	98,963	67,139	42,979	26,844
Income from disposal of discontinued operations	--	--	1,292	710	--
	-----	-----	-----	-----	-----
Net income	\$124,944	\$ 98,963	\$ 68,431	\$ 43,689	\$ 26,844
	-----	-----	-----	-----	-----
Basic earnings per common share from continuing operations (a)	\$ 1.15	\$.93	\$.63	\$.40	\$.25
Basic earnings per common share from discontinued operations (a)	--	--	.01	.01	--
	-----	-----	-----	-----	-----
Basic earnings per common share (a)	\$ 1.15	\$.93	\$.64	\$.41	\$.25
Shares used to calculate basic earnings per common share (a)	108,596	106,490	106,632	106,962	109,890
	-----	-----	-----	-----	-----
Diluted earnings per common share from continuing operations (a)	\$ 1.09	\$.87	\$.59	\$.37	\$.23
Diluted earnings per common share from discontinued operations (a)	--	--	.01	.01	--
	-----	-----	-----	-----	-----
Diluted earnings per common share (a)	\$ 1.09	\$.87	\$.60	\$.38	\$.23
	-----	-----	-----	-----	-----
Shares used to calculate diluted earnings per common share (a)	114,810	113,820	113,826	114,756	115,416
	-----	-----	-----	-----	-----
Cash dividends declared per common share (a)	\$.10	\$.08	\$.07	\$.05	\$.05
	-----	-----	-----	-----	-----
Financial Position as of December 31,					
Cash and cash equivalents	\$163,685	\$147,676	\$ 73,206	\$ 52,980	\$ 16,891
Total assets	\$460,916	\$375,582	\$253,779	\$208,772	\$168,884
Long-term debt (including short-term portion)	\$ 50,611	\$ 29,000	\$ 31,000	\$ 33,000	\$ 35,000
Shareholders' equity	\$270,593	\$197,421	\$ 79,002	\$ 59,685	\$ 46,410
	-----	-----	-----	-----	-----

</TABLE>

(a) All share and per share information has been adjusted to reflect the three-for-one stock split paid in June 2000 and the two-for-one stock split paid in February 2001. See Note 8 of the Notes to the Consolidated Financial Statements.

13

Item 7. Management's Discussion and Analysis of Financial Condition and Results

of Operations.

(In thousands, except per share data)

This discussion reviews and analyzes the consolidated financial condition at December 31, 2001 and 2000, the consolidated results of operations for the past three years, and other factors that may affect future financial performance. This discussion should be read in conjunction with the Consolidated Financial Statements, Notes to the Consolidated Financial Statements and Selected Financial Data.

Certain statements contained in this discussion may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based upon estimates and assumptions that involve risks, uncertainties, and other factors, many of which are beyond our control, that could cause actual results to differ materially from our expected results. We have no obligation to publicly update or revise any forward-looking statements, except as required by law.

Results of Operations

Consolidated Overview

Our operations and organizational structures were realigned in 2001 into business units that offer products and services tailored for particular market segments. Our reportable segments are Private Banking and Trust, Investment Advisors, Enterprises, Money Managers, and Investments in New Businesses. The accounting policies of our business segments are the same as those used in preparation of the consolidated financial statements. Management evaluates financial performance of its operating segments based on Income from operations. Financial information for periods prior to 2001 has been restated to conform to current year presentation.

Revenues and Income from operations by segment for 2001, 2000, and 1999 are as follows:

(In thousands)	Year ended December 31,		
	2001	2000	1999
Private Banking and Trust:			
Revenues	\$360,069	\$338,416	\$294,673
Income from operations	144,225	130,522	109,919
Investment Advisors:			
Revenues	154,988	133,959	76,831
Income from operations	61,060	44,510	18,120
Enterprises:			
Revenues	64,522	55,034	36,749
Income from operations	20,003	10,365	4,727
Money Managers:			
Revenues	36,576	32,349	22,738
Income (loss) from operations	4,944	2,556	(557)
Investments in New Businesses:			
Revenues	41,858	39,048	25,201
Loss from operations	(23,589)	(23,155)	(17,417)
General and Administrative:			
Loss from operations	(23,457)	(16,839)	(12,298)
Consolidated Segment Totals:			
Revenues	\$658,013	\$598,806	\$456,192
Income from operations	\$183,186	\$147,959	\$102,494

14

Consolidated revenues in 2001 were \$658.0 million, an increase of \$59.2 million, or 10 percent, from 2000. Consolidated revenues in 2000 increased \$142.6 million, or 31 percent, to \$598.8 million over 1999. Our revenues are primarily derived from information processing services or from assets we manage and administer. Approximately 65 percent of our revenues were derived from the assets we manage and administer during 2001, 2000, and 1999. The remaining 35 percent for each year were received from our information processing services. The key factor contributing to higher revenues in 2001 and 2000 was increased sales to new clients and the delivery of new products and services to existing clients. We believe this is the result of strong acceptance of our products and services in most of our target markets. Another primary factor affecting our revenues was the growth in the value of the assets we manage and administer. Declines in the capital markets during the latter half of 2001 have inhibited our revenue expansion. Also, economic uncertainty during the past year has slowed many purchase decisions in most of our target markets.

Operating income improved in 2001 by \$35.2 million, or 23.8 percent, and in 2000 by \$45.5 million, or 44.4 percent, over prior year comparable periods. We also experienced improved operating margins. Operating margins were 27.8 percent in 2001, 24.7 percent in 2000, and 22.5 percent in 1999. This was primarily due to the increase in our revenues and the economies of scale and operational efficiencies built into our operations. The investment in our operating infrastructure and in the Internet has improved client service and created other efficiencies in our operations. Also, a portion of our personnel costs are paid in the form of incentive and sales compensation that are tied to predetermined performance goals at the corporate and business unit levels. Actual performance is compared to the target goals and determines the actual amount of bonuses to be paid for the year. As a percentage of sales, incentive and sales compensation expense for 2001 was lower than 2000, whereas 2000 was higher than 1999.

Our future growth is dependent upon our ability to deliver new products and services in our portfolio of businesses. Also, we must continue to generate economies of scale in our back-office and investment management operations, and focus our technology spending. However, any expected growth in revenues and earnings may be negated by a decrease in the capital markets, mergers and acquisitions among our client base, loss of clients to competitors, and deferred decision-making among our target client base.

Asset Balances

(In millions)

<TABLE>
<CAPTION>

	As of December 31,		
	2001	2000	1999
	-----	-----	-----
<S>	<C>	<C>	<C>
Assets invested in equity and fixed income programs	\$ 55,986	\$ 51,851	\$ 41,695
Assets invested in liquidity funds	21,562	24,481	22,556
	-----	-----	-----
Assets under management	77,548	76,332	64,251
	-----	-----	-----
Client proprietary assets under administration	180,430	200,113	170,787
	-----	-----	-----
Assets under management and administration	\$257,978	\$276,445	\$235,038
	=====	=====	=====

</TABLE>

Assets under management consist of total assets invested in our equity and fixed income investment programs and liquidity funds for which we provide management services. Assets under management and administration consist of total assets for which we provide management and administrative services, including client proprietary fund balances for which we provide administration and/or distribution services.

15

Private Banking and Trust

- - - - -

Private Banking and Trust provides investment processing solutions, fund processing solutions, and investment management programs to banks and private trust companies. Investment processing services primarily include outsourcing services provided through our TRUST 3000 product line. TRUST 3000 includes many integrated products and sub-systems that provide a complete investment accounting and management information system for trust institutions. Revenues are primarily earned from monthly processing and project fees.

Fund processing solutions include administration and distribution services provided to bank proprietary mutual funds. These services primarily include fund administration and accounting, legal services, shareholder recordkeeping, and marketing. Revenues are based on a percentage, referred to as basis points, of the average daily net asset value of the proprietary funds.

Investment management revenues are primarily earned through management fees that are based upon a percentage, referred to as basis points, of the average daily net asset value of assets under management.

	Year ended December 31,		
	2001	2000	1999
	-----	-----	-----
Revenues:			
Investment processing fees	\$230,985	\$208,887	\$172,597
Fund processing fees	85,361	87,755	83,052
Investment management fees	43,723	41,774	39,024
	-----	-----	-----
Total revenues	360,069	338,416	294,673
	-----	-----	-----
Expenses:			
Operating and development	167,904	163,212	141,565
Sales and marketing	47,940	44,682	43,189
	-----	-----	-----
Income from operations	\$144,225	\$130,522	\$109,919
	=====	=====	=====
Operating margin	40%	39%	37%
Percent of Revenue:			
Operating and development	47%	48%	48%
Sales and marketing	13%	13%	15%

Revenues increased in 2001 by \$21.7 million, or 6 percent, as compared to 2000, and accounted for 55 percent of consolidated revenues, down slightly from 57 percent in 2000. Revenues increased in 2000 by \$43.7 million, or 15 percent, over 1999. Investment processing fees accounts for the majority of this segments revenue growth and was largely due to increased sales activity in our core service bureau business. Revenue increases were primarily driven by new clients and merger activity in the national and regional bank segment, and increased brokerage services during 2000. Revenue increases in 2001 came mostly from the cross-selling of new products and services that provide our clients with a

broader business solution that incorporates the use of new technology.

Revenue growth for 2001 and 2000 were also affected by events in Fund processing fees. Fund processing fees decreased during 2001 because of the loss of several significant clients involved in mergers. The loss of these clients caused our assets under administration to decline by approximately \$30 billion in the third quarter of 2001. Fund processing fees in 2000 increased due to an increase in average assets under administration, though these gains were partially offset by a decrease in average basis points earned relating to fee concessions extended to existing clients in exchange for longer-term contracts and a reduction in the range of certain services provided to large bank clients.

Operating income in 2001 increased \$13.7 million, or 10 percent, as compared to 2000. Operating income in 2000 increased \$20.6 million, or 19 percent, over 1999. Operating margins also increased slightly each year. The increase in operating income and margin in each comparable period was primarily due to the increase in revenues already discussed. An additional factor affecting operating income and margin was our business model that seeks economies of scale and operational efficiencies and the timing of various marketing and development expenses.

16

We believe our future growth in revenues and income will come from our ability to develop new products and services for existing markets and expansion into new markets. However, future revenue growth will be affected by the loss of the fund processing clients in the third quarter of 2001. In addition, consolidations among our banking clients, as well as deferred decision-making will continue to be major strategic issues facing this segment.

Investment Advisors

- - - - -

Investment Advisors provides investment management programs and investment processing solutions to affluent investors distributed through a network of investment professionals. Revenues are primarily earned through management fees that are based upon a percentage, referred to as basis points, of the average daily net asset value of assets under management.

	Year ended December 31,		
	2001	2000	1999
Revenues	\$154,988	\$133,959	\$76,831
Expenses:			
Operating and development	45,906	39,009	23,630
Sales and marketing	48,022	50,440	35,081
Income from operations	\$ 61,060	\$ 44,510	\$18,120
Operating margin	39%	33%	24%
Percent of Revenues:			
Operating and development	30%	29%	31%
Sales and marketing	31%	38%	45%

Revenues in 2001 increased \$21.0 million, or 16 percent, as compared to 2000 and accounted for 24 percent of consolidated revenues in 2001, up from 22 percent in 2000. Revenues in 2000 grew \$57.1 million, or 74 percent, as compared to 1999. The increase in revenues in both comparable periods was primarily due to growth in assets under management as a result of our success at recruiting new registered investment advisors. Our total advisor network consists of approximately 8,700 advisors and increased by approximately 1,100 advisors in 2001 and 1,800 advisors in 2000. Revenues were also affected by movements in the capital markets.

Operating income and margin improved in each period primarily due to new business activity. Operating income increased \$16.6 million, or 37 percent, in 2001 over 2000 and \$26.4 million, or 146 percent, in 2000 over 1999. Despite this improvement in operating income, new business activity was negatively impacted by the significant devaluation in the capital markets during 2001. Operating income and margins also were affected by our ability to utilize many shared resources across a larger revenue base, thereby creating some efficiencies in our operations.

Future growth in revenues and income from operations depends, in part, on our ability to generate new business and obtain additional assets under management from existing customers. We plan to sustain new business activity through new product offerings. However, the capital markets will remain unpredictable.

17

Enterprises

- - - - -

Enterprises provides retirement business solutions and treasury business solutions for corporations, unions, foundations and endowments, and other institutional investors. Revenues are primarily earned through management fees that are based upon a percentage, referred to as basis points, of the average daily net asset value of assets under management.

	Year ended December 31,		
	2001	2000	1999
	-----	-----	-----
Revenues	\$64,522	\$55,034	\$36,749
Expenses:			
Operating and development	21,943	19,505	13,453
Sales and marketing	22,576	25,164	18,569
	-----	-----	-----
Income from operations	\$20,003	\$10,365	\$ 4,727
	=====	=====	=====
Operating margin	31%	19%	13%
Percent of Revenue:			
Operating and development	34%	35%	37%
Sales and marketing	35%	46%	50%

Revenues increased in 2001 by \$9.5 million, or 17 percent, as compared to 2000 and accounted for approximately 10 percent of consolidated revenues, as compared to 9 percent in 2000. Revenues in 2000 grew by \$18.3 million, or 50 percent, over 1999. Revenue growth was primarily driven by an increase in average assets under management from new business activity. Our Retirement Business Solution established 34 new relationships during 2001 and 64 new relationships during 2000. We feel this increase in new sales is the result of increased market acceptance of our outsource business solution across a diverse range of clients. We believe the weak economy in 2001 caused revenue growth to slow, as compared to 2000, as clients deferred purchase decisions.

Operating income and margin increased significantly in both comparable periods. Operating income in 2001 increased \$9.6 million, or 93 percent, as compared to 2000. Operating income in 2000 increased \$5.6 million, or 119 percent, over 1999. Operating income and margins in 2001 and 2000 were affected by new business activity, as well as timing of certain expenditures, especially sales and marketing expenses. During 2000 and 1999, we incurred significant technology costs associated with the development of our treasury solutions platform.

These difficult market conditions reinforce our investment management strategy, which leans heavily on diversification and risk management. Although we believe we are well positioned and poised to grow, our revenues and earnings could be significantly affected by continued volatility in the capital markets.

18

Money Managers

- - - - -

Money Managers provides investment solutions to U.S.-based investment managers, U.S.-based mutual fund companies and alternative investment managers worldwide. Revenues are earned primarily through administration and distribution fees that are based upon a percentage, referred to as basis points, of the average daily net asset value of assets under management.

	Year ended December 31,		
	2001	2000	1999
	-----	-----	-----
Revenues	\$36,576	\$32,349	\$22,738
Expenses:			
Operating and development	18,088	16,062	12,811
Sales and marketing	13,544	13,731	10,484
	-----	-----	-----
Income from operations	\$ 4,944	\$ 2,556	\$ (557)
	=====	=====	=====
Operating margin	14%	8%	(2%)
Percent of Revenue:			
Operating and development	49%	50%	56%

Sales and marketing 37% 42% 46%

Revenues increased in 2001 by \$4.2 million, or 13 percent, as compared to 2000. Revenues increased in 2000 by \$9.6 million, or 42 percent, over 1999. The increase in revenues in each year was primarily driven by an increase in assets under management and administration from new client fundings. However, the decline in the capital markets during 2001 partially offset revenue growth from new business activity. Conversely, the somewhat more stable capital markets in 2000 supported revenue growth.

Operating income in 2001 increased by \$2.4 million as compared to 2000. Operating income in 2000 increased by \$3.0 million over 1999. Operating margins also improved. The increase in operating income and margin was due to the increase in revenues and our ability to utilize our infrastructure in a manner that can create economies of scale and operational efficiencies. In addition, expenses during 2000 and 1999 included significant investments in developing the necessary infrastructure to tailor our products and services in these markets.

We believe the demand for our services from alternative investment managers is growing and we intend to capitalize on this trend through a diversified product line. We also intend to utilize our other existing services in this market. We expect to continue our efforts to create new business solutions that satisfy the needs of all investment managers. However, any prolonged significant changes in the capital markets would have an adverse impact on revenues.

19

Investments in New Businesses
- - - - -

Investments in New Businesses include our global asset management and investment processing initiatives that incorporate our investment products and services to provide investment solutions to institutional and high-net-worth investors outside the United States. This segment also includes other new business and product initiatives. Revenues are primarily earned through management fees and processing fees that are based upon a percentage, referred to as basis points, of the average daily net asset value of assets under management.

	Year ended December 31,		
	2001	2000	1999
	-----	-----	-----
Revenues	\$ 41,858	\$ 39,048	\$25,201
Expenses:			
Operating and development	44,887	41,236	23,757
Sales and marketing	20,560	20,967	18,861
	-----	-----	-----
Loss from operations	\$ (23,589)	\$ (23,155)	\$ (17,417)
	=====	=====	=====
Operating margin	(56%)	(59%)	(69%)
Percent of Revenue:			
Operating and development	107%	105%	94%
Sales and marketing	49%	54%	75%

The following table displays revenues by geographic region as a percentage of total segment revenues:

	Year ended December 31,		
	2001	2000	1999
	----	----	----
Europe/South Africa	58%	51%	30%
Canada	24%	28%	43%
Asia	8%	9%	19%
Other	10%	12%	8%
	---	---	---
Total	100%	100%	100%
	===	===	===

Revenues increased during 2001 by \$2.8 million, or 7 percent, as compared to 2000. Revenues during 2000 increased by \$13.8 million, or 55 percent, over 1999. The increase in revenues over the corresponding prior periods is primarily due to an increase in assets under management from our Europe/South Africa, Korea and Canada initiatives, despite the impact of weak financial markets globally during 2001. Revenues in 2000 included our Canadian consulting business that was sold in July 2000. Excluding those revenues, revenues would have increased 15 percent in 2001 and 58 percent in 2000. We continue to experience positive market acceptance of our multi-manager investment solution offerings in Europe,

especially in the U.K. pension market. We have also seen early positive results from other initiatives in Europe. We began a controlled launch targeting affluent and high-net-worth investors through certain U.K. independent financial advisors. Our distribution activities are expanding in Europe and Canada as well. However, the weak capital markets during 2001 significantly affected our revenue growth.

We plan to continue our efforts in establishing marketing and distribution channels and in developing technology outsourcing solutions to fill the needs of these markets. We expect to incur losses throughout 2002.

20

General & Administrative

- - - - -

	Year ended December 31,		
	2001	2000	1999
General and Administrative	\$23,457	\$16,839	\$12,298
Percent of Revenue	4%	3%	3%

General and administrative expense primarily consists of corporate overhead costs and other costs not directly attributable to a reportable business segment. The increase in general and administrative expenses in 2001 and 2000 was due to an increase in various corporate overhead costs and facilities related costs.

Other Income

- - - - -

Other income consists of the following:

	Year ended December 31,		
	2001	2000	1999
Equity in the earnings of unconsolidated affiliate	\$10,342	\$ 7,533	\$ 6,765
Interest income	6,945	6,419	2,285
Interest expense	(2,149)	(2,293)	(2,375)
Total other income, net	\$15,138	\$11,659	\$ 6,675

Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Income includes our less than 50 percent ownership in the general partnership of LSV Asset Management ("LSV") (See Note 5 of the Notes to Consolidated Financial Statements). The increase in the net earnings of LSV was due to an increase in assets under management in 2001 and 2000.

Interest income is earned based upon the amount of cash that is invested daily and interest rates. Interest income increased in 2001 and 2000 primarily due to a higher average daily cash balance. However, interest rates during 2001 were significantly lower than in 2000.

Interest expense primarily relates to our long-term debt and other borrowings.

Income Taxes

- - - - -

Our effective tax rate was 37.0 percent in 2001, 38.0 percent in 2000 and 38.5 percent in 1999. The rate reduction was largely due to effective state and international tax planning.

Discontinued Operations

- - - - -

In 1995, the Board of Directors approved a plan of disposal for the SEI Capital Resources Division ("CR"). CR provided investment performance evaluation services, consulting services, and brokerage services to employee benefit plan sponsors and investment advisors in the United States. The results of CR for 1999 and years prior have been reported separately as discontinued operations in the accompanying Consolidated Financial Statements.

In 1997, the remaining net assets of CR were sold to a private investment firm for a specified amount of cash at closing along with a note. In 1999, we accepted \$2.1 million as satisfaction for the entire outstanding balance on the note and this was recorded as a gain, net of tax expense of \$.8 million and is reflected in Income from disposal of discontinued operations on the Consolidated Statements of Operations.

Liquidity and Capital Resources

<TABLE>
<CAPTION>

	Year ended December 31,		
	2001	2000	1999
<S>	<C>	<C>	<C>
Net cash provided by operating activities	\$174,379	\$143,263	\$111,985
Net cash used in investing activities	(85,587)	(46,433)	(25,862)
Net cash used in financing activities	(72,783)	(22,360)	(65,897)
Net increase in cash and cash equivalents	16,009	74,470	20,226
Cash and cash equivalents, beginning of year ...	147,676	73,206	52,980
Cash and cash equivalents, end of year	\$163,685	\$147,676	\$ 73,206

</TABLE>

Cash requirements and liquidity needs are expected to be funded through our cash flow from operations and our capacity for additional borrowing. We currently have a line of credit agreement that provides for borrowings of up to \$25.0 million. The availability of the line of credit is subject to compliance with certain covenants set forth in the agreement (See Note 6 of the Notes to Consolidated Financial Statements). At December 31, 2001, our unused sources of liquidity consisted of unrestricted cash and cash equivalents of \$163.7 million and the unused portion of the line of credit of \$25.0 million.

Cash flow generated from operations in 2001, 2000, and 1999 primarily resulted from an increase in income. The tax benefit received from stock options exercised increased substantially due to the rapid rise in our stock price during 1999 and 2000. The net change in receivables and various accrued expenses also affected cash flows from operations.

Cash flows from investing activities are principally affected by capital expenditures and marketable securities transactions. Capital expenditures in 2001, 2000, and 1999 included significant costs, primarily building construction costs, equipment and furniture and fixtures purchases associated with the expansion of our corporate headquarters. Currently, we are constructing two additional buildings and a parking structure which are expected to be completed by mid-2002. The total cost of the expansion is estimated at \$27.0 million, of which we have spent \$19.0 million through February 28, 2002. The additional buildings are necessary due to growth in our primary business lines. Also, cash flows from investing activities were affected by purchases and sales of our mutual funds mainly for the testing and subsequent startup of new investment programs to be offered to our clients. Purchases were approximately \$69.7 million in 2001, \$17.7 million in 2000, and \$3.1 million in 1999, whereas sales totaled \$24.6 million in 2001, \$2.5 million in 2000, and \$.6 million in 1999.

Cash flows from financing activities are primarily affected by debt and equity transactions. Principal payments on the Senior notes are made annually from the date of issuance while interest payments are made semi-annually. Principal payments on the term loan are made quarterly from the date of issuance while interest payments are made based on the term of the London Interbank Offered Rate borrowing. The aggregate maturities of our long-term debt at December 31, 2001 are \$7.6 million in 2002, \$9.6 million in 2003 thru 2005, \$5.4 million in 2006, and \$9.0 million in 2007 and thereafter (See Note 7 of the Notes to Consolidated Financial Statements). We continued our common stock repurchase program and acquired approximately 2.8 million shares of our common stock at a cost of \$103.3 million during 2001 pursuant to an open market stock purchase authorization of \$503.4 million made by the Board of Directors. As of February 28, 2002, we still had \$44.9 million remaining authorized for the purchase of our common stock. Proceeds received from the issuance of common stock results from stock option exercise activity. Cash dividends of \$.10 per share were declared in 2001 and \$.08 in 2000. Our Board of Directors has indicated its intention to continue making cash dividend payments.

We currently have various operating leases for facilities, data processing equipment, and software. As of December 31, 2001, our aggregate noncancellable minimum lease commitments are \$8.2 million in 2002, \$8.1 million in 2003, \$4.5 million in 2004, \$1.9 million in 2005, \$1.6 million in 2006, and \$10.3 million in 2007 and thereafter (See Note 10 of the Notes to Consolidated Financial Statements).

We believe our operating cash flow, available borrowing capacity, and existing cash and cash equivalents should provide adequate funds for continuing operations, continued investment in new products and equipment, our common stock repurchase program, expansion of our corporate headquarters, future dividend payments, and principal and interest payments on our long-term debt.

Critical Accounting Policies

Financial Reporting Release No. 60 requires all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. Our significant accounting policies are described in Note 1 of the Notes to the Consolidated Financial Statements. The significant accounting policies that we believe are the most critical to aid in fully understanding our reported financial results includes the following:

Revenue Recognition

Principal sources of revenues are information processing and software services, management, administration, and distribution of mutual funds, brokerage and consulting services, and other asset management products and services.

Information processing and software service fees are generally based on the number of trust accounts a client has on our Trust 3000 system. These revenues are recurring in nature based upon contractual agreements.

Administration and distribution fees are based upon a percentage, referred to as basis points, of the average daily asset value of the funds.

Management fees are based upon a percentage, referred to as basis points, of the average daily net asset value of assets under management.

Revenues from these services are recognized in the periods in which they are performed. Cash received by us in advance of the performance of services is deferred and recognized as revenue when earned.

23

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We do have offices located outside the United States that conduct business in local currencies of that country. All foreign operations aggregate approximately 6 percent of total consolidated revenues, which are spread across several countries with different currencies. Due to this limited activity, we do not hedge against foreign operations nor do we expect any material loss with respect to foreign currency risk.

Exposure to market risk for changes in interest rates relate primarily to our investment portfolio and other borrowings. We do not undertake any specific actions to cover our exposure to interest rate risk and are not a party to any interest rate risk management transactions. We place our investments in financial instruments that meet high credit quality standards. We insure the preservation of our index funds by limiting default risk, market risk, and reinvestment risk through the use of derivatives. The interest rate on our long-term debt is fixed and is not traded on any established market. We have no cash flow exposure due to rate changes for our long-term debt.

We are exposed to market risk associated with changes in the fair value of our investments available for sale. To provide some protection against potential fair value changes associated with our investments available for sale, we have entered into various derivative financial transactions. The derivative instruments are used to hedge changes in the fair market value of certain investments available for sale. We currently hold derivatives with a notional amount of \$30.3 million with various terms, generally less than one year. The effectiveness of these hedging relationships is evaluated on a retrospective and prospective basis using quantitative measures of correlation. If a hedge is ineffective, any excess gains or losses attributable to such ineffectiveness are recognized in current period earnings. During 2001, the amount of hedge ineffectiveness that was credited to current period earnings was a gain of \$.4 million. We believe the derivative financial instruments entered into provide protection against volatile swings in market valuation associated with our Investments available for sale. During 2001, we did not enter into or hold derivative financial instruments for trading purposes.

24

Item 8. Financial Statements and Supplementary Data.

Index to Financial Statements:

Report of Independent Public Accountants
 Consolidated Balance Sheets -- December 31, 2001 and 2000
 Consolidated Statements of Operations -- For the years ended
 December 31, 2001, 2000, and 1999
 Consolidated Statements of Shareholders' Equity -- For the years ended
 December 31, 2001, 2000, and 1999

Consolidated Statements of Cash Flows -- For the years ended December
31, 2001, 2000, and 1999
Notes to Consolidated Financial Statements
Schedule II -- Valuation and Qualifying Accounts

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

25

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To SEI Investments Company:

We have audited the accompanying consolidated balance sheets of SEI Investments Company (a Pennsylvania corporation) and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements and schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SEI Investments Company and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the Index to Financial Statements is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Philadelphia, PA
January 31, 2002

26

Consolidated Balance Sheets (In thousands)	SEI Investments Company and Subsidiaries		
	December 31,	2001	2000

Assets	Current Assets:		
	Cash and cash equivalents	\$163,685	\$147,676
	Restricted cash	\$ 10,000	\$ 11,900
	Receivables from regulated investment companies	25,550	27,607
	Receivables, net of allowance for doubtful accounts of \$1,700	56,327	47,404
	Deferred income taxes	4,459	9,030
	Prepaid expenses and other current assets	6,121	5,414
		-----	-----
	Total Current Assets	266,142	249,031
		-----	-----
	Property and Equipment, net of accumulated depreciation and amortization of \$95,104 and \$83,874	95,804	75,111
		-----	-----
	Capitalized Software, net of accumulated amortization of \$13,469 and \$11,733	11,055	12,823
		-----	-----

Investments Available for Sale	66,332	20,294
	-----	-----
Other Assets, net	21,583	18,323
	-----	-----
	\$460,916	\$375,582
	-----	-----

The accompanying notes are an integral part of these financial statements.

27

<TABLE>
<CAPTION>

Consolidated Balance Sheets (In thousands, except par value)		SEI Investments Company and Subsidiaries	
December 31,		2001	2000
-----		-----	-----
<S>	<C>	<C>	<C>
Liabilities and Shareholders' Equity	Current Liabilities:		
	Current portion of long-term debt	\$ 7,556	\$ 2,000
	Accounts payable	4,977	6,721
	Accrued liabilities	128,408	121,282
	Deferred revenue	3,402	16,450
		-----	-----
	Total Current Liabilities	144,343	146,453
		-----	-----
	Long-term Debt	43,055	27,000
		-----	-----
	Deferred Income Taxes	2,925	4,708
		-----	-----
	Commitments and Contingencies (Note 10)		
	Shareholders' Equity:		
	Series Preferred stock, \$.05 par value, 60 shares authorized; no shares issued and outstanding	--	--
	Common stock, \$.01 par value, 750,000 shares authorized; 109,180 and 108,560 shares issued and outstanding	1,092	1,086
	Capital in excess of par value	186,390	125,473
	Retained earnings	85,085	72,521
	Accumulated other comprehensive losses	(1,974)	(1,659)
		-----	-----
	Total Shareholders' Equity	270,593	197,421
		-----	-----
		\$460,916	\$375,582
		-----	-----

</TABLE>

The accompanying notes are an integral part of these financial statements.

28

<TABLE>
<CAPTION>

Consolidated Statements of Operations (In thousands, except per share data)		SEI Investments Company and Subsidiaries		
Year Ended December 31,		2001	2000	1999
-----		-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Revenues		\$ 658,013	\$ 598,806	\$ 456,192
Expenses:				
Operating and development		298,728	279,024	215,216
Sales and marketing		152,642	154,984	126,184
General and administrative		23,457	16,839	12,298
		-----	-----	-----
Income from operations		183,186	147,959	102,494
Equity in the earnings of unconsolidated affiliate		10,342	7,533	6,765
Interest income		6,945	6,419	2,285
Interest expense		(2,149)	(2,293)	(2,375)
		-----	-----	-----

Income from continuing operations before income taxes	198,324	159,618	109,169
Income taxes	73,380	60,655	42,030
	-----	-----	-----
Income from continuing operations	124,944	98,963	67,139
Income from disposal of discontinued operations, net of income tax expense of \$808	--	--	1,292
	-----	-----	-----
Net income	\$ 124,944	\$ 98,963	\$ 68,431

Basic earnings per common share:			
Earnings per common share from continuing operations	\$ 1.15	\$.93	\$.63
Earnings per common share from discontinued operations01
	-----	-----	-----
Basic earnings per common share	\$ 1.15	\$.93	\$.64

Diluted earnings per common share:			
Earnings per common share from continuing operations	\$ 1.09	\$.87	\$.59
Earnings per common share from discontinued operations01
	-----	-----	-----
Diluted earnings per common share	\$ 1.09	\$.87	\$.60

</TABLE>

The accompanying notes are an integral part of these financial statements.

<TABLE>
<CAPTION>
Consolidated Statements of Shareholders' Equity SEI Investments
Company and
(In thousands) Subsidiaries

Total	Common Stock		Capital	Retained	Accumulated Other Comprehensive Losses		
	Shares	Amount	In Excess of		Cumulative Foreign Currency	Unrealized Holding Gain (Loss)	
Shareholders' Equity			Par Value	Earnings	Adjustments	Investments	
	<C>	<C>	<C>	<C>	<C>	<C>	
Balance, December 31, 1998	17,861	\$ 179	\$ 57,541	\$ 2,422	\$(408)	\$ (49)	\$
59,685							
Comprehensive income:							
Net income	--	--	--	68,431	--	--	
68,431							
Foreign currency translation							
Adjustments	--	--	--	--	(61)	--	
(61)							
Unrealized gain on investments	--	--	--	--	--	469	
469							

Total comprehensive income							
68,839							
Purchase and retirement of common							
Stock	(689)	(7)	(9,753)	(56,403)	--	--	
(66,163)							
Issuance of common stock under the							
employee stock purchase plan	25	--	2,066	--	--	--	
2,066							
Issuance of common stock upon							
exercise of stock options	495	5	6,591	--	--	--	
6,596							
Tax benefit on stock options exercised							
	--	--	15,056	--	--	--	

15,056								
Dividends declared (\$.06 per share) ..	--	.--	--	(7,077)	--	--		
(7,077)								

Balance, December 31, 1999	17,692	\$ 177	\$ 71,501	\$ 7,373	\$(469)	\$ 420	\$	
79,002								
Comprehensive income:								
Net income	--	--	--	98,963	--	--		
98,963								
Foreign currency translation								
Adjustments	--	--	--	--	(267)	--		
(267)								
Unrealized loss on investments	--	--	--	--	--	(1,343)		
(1,343)								--

Total comprehensive income								
97,353								
Stock split adjustment	89,709	897	--	(897)	--	--		
--								
Purchase and retirement of common								
Stock	(226)	(2)	(518)	(24,323)	--	--		
(24,843)								
Issuance of common stock under the								
employee stock purchase plan	46	1	3,144	--	--	--		
3,145								
Issuance of common stock upon								
exercise of stock options	1,339	13	9,111	--	--	--		
9,124								
Tax benefit on stock options exercised	--	--	42,235	--	--	--		
42,235								
Dividends declared (\$.08 per share) ..	--	--	--	(8,595)	--	--		
(8,595)								

Balance, December 31, 2000	108,560	\$1,086	\$125,473	\$ 72,521	\$(736)	\$ (923)	\$	
\$197,421								

</TABLE>

The accompanying notes are an integral part of these financial statements.

30

	Common Stock		Capital	Retained Earnings	Cumulative Foreign Currency Translation Adjustments	Accumulated Other Comprehensive Losses Unrealized Holding Loss on Investments	
	Shares	Amount	In Excess of Par Value				
Total Shareholders' Equity							

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 2000	108,560	\$1,086	\$ 125,473	\$ 72,521	\$(736)	\$(923)	\$
197,421							
Comprehensive income:							
Net income	--	--	--	124,944	--	--	
124,944							
Foreign currency translation							
adjustments	--	--	--	--	(242)	--	
(242)							
Unrealized loss on investments	--	--	--	--	--	(73)	
(73)							

Total comprehensive income							
124,629							
Purchase and retirement of common							

stock	(2,588)	(26)	(1,847)	(101,476)	--	--
(103,349)						
Issuance of common stock under the employee stock purchase plan	104	1	3,946	--	--	--
3,947						
Other	13		619			
619						
Issuance of common stock upon exercise of stock options	3,091	31	14,763	--	--	--
14,794						
Tax benefit on stock options exercised	--	--	43,436	--	--	--
43,436						
Dividends declared (\$.09 per share) ..	--	--	--	(10,904)	--	--
(10,904)						

Balance, December 31, 2001	109,180	\$1,092	\$ 186,390	\$ 85,085	\$(978)	\$(996) \$
270,593						

</TABLE>

The accompanying notes are an integral part of these financial statements.

31

<TABLE>

<CAPTION>

Consolidated Statements of Cash Flows
(In thousands)

SEI Investments Company
and Subsidiaries

Year Ended December 31,	2001	2000	1999
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net income	\$124,944	\$ 98,963	\$ 68,431
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	19,650	17,305	15,793
Provision for losses on receivables	--	--	500
Undistributed earnings of affiliate	(406)	(633)	(2,732)
Write-off of capitalized software and intangibles	--	3,737	1,204
Tax benefit on stock options exercised	43,436	42,235	15,056
Deferred income tax expense (benefit)	3,944	349	(3,483)
Discontinued operations	--	--	(1,292)
Other	(2,737)	4,055	194
Change in current assets and liabilities:			
Decrease (increase) in:			
Receivables from regulated investment companies ...	2,057	(3,428)	(5,180)
Restricted Cash	1,900	(11,900)	--
Receivables	(8,923)	(13,850)	(6,135)
Prepaid expenses and other current assets	(707)	(295)	894
Increase (decrease) in:			
Accounts payable	(1,744)	(676)	592
Accrued expenses	6,013	10,271	22,334
Deferred revenue	(13,048)	(2,870)	5,809
	-----	-----	-----
Total adjustments	49,435	44,300	43,554
	-----	-----	-----
Net cash provided by operating activities	\$174,379	\$143,263	\$111,985

</TABLE>

The accompanying notes are an integral part of these financial statements.

32

Consolidated Statements of Cash Flows
(In thousands)

SEI Investments Company
and Subsidiaries

Year Ended December 31,	2001	2000	1999
Cash flows from investing activities:			
Additions to property and equipment	(40,342)	(27,188)	(17,254)
Additions to capitalized software	--	(449)	(1,362)
Purchase of investments available for sale	(69,647)	(17,660)	(3,114)

Sale of investments available for sale ...	24,618	2,495	620
Other	(216)	(3,631)	(4,752)
	-----	-----	-----
Net cash used in investing activities ..	(85,587)	(46,433)	(25,862)
Cash flows from financing activities:			
Payments on long-term debt	(3,389)	(2,000)	(2,000)
Purchase and retirement of common stock ..	(103,349)	(24,843)	(65,970)
Proceeds from issuance of common stock ...	18,741	12,269	8,470
Borrowing on term loan agreement	25,000	--	--
Payment of dividends	(9,786)	(7,786)	(6,397)
	-----	-----	-----
Net cash used in financing activities ..	(72,783)	(22,360)	(65,897)
	-----	-----	-----
Net increase in cash and cash equivalents	16,009	74,470	20,226
Cash and cash equivalents, beginning of year ..	147,676	73,206	52,980
	-----	-----	-----
Cash and cash equivalents, end of year	\$163,685	\$147,676	\$ 73,206

The accompanying notes are an integral part of these financial statements.

33

Notes to Consolidated Financial Statements SEI Investments Company
and Subsidiaries

Note 1 - Summary of Significant Accounting Policies:

Nature of Operations -

SEI Investments Company (the "Company") is organized around its primary target markets: Private Banking & Trust, Investment Advisors, Enterprises, Money Managers, and Investments in New Businesses. Private Banking & Trust, which accounts for 55 percent of consolidated revenues in 2001, provides investment processing solutions, fund processing solutions and investment management programs to domestic banks and private trust companies in the United States. Investment Advisors, which accounts for 24 percent of consolidated revenues in 2001, provides investment management programs and investment processing solutions to affluent investors through a network of financial intermediaries, independent investment advisors and other investment professionals in the United States. Enterprises, which accounts for 10 percent of consolidated revenues in 2001, provide retirement and treasury business solutions for corporations, unions, foundations and endowments, and other institutional investors in the United States. Money Managers, which accounts for 5 percent of consolidated revenues, provides investment solutions to U.S. investment managers, mutual fund companies and alternative investment managers worldwide. Investments in New Businesses, which accounts for 6 percent of consolidated revenues, includes the Company's global asset management businesses as well as initiatives into new U.S. markets.

Principles of Consolidation - The Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries. The Company's principal subsidiaries are SEI Investments Distribution Company ("SIDCO"), SEI Investments Management Corporation ("SIMC"), and SEI Private Trust Company. All intercompany accounts and transactions have been eliminated. Investment in unconsolidated affiliate is accounted for using the equity method due to the Company's less than 50 percent ownership. The Company's portion of the affiliate's operating results is reflected in Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Operations (See Note 5).

Cash and Cash Equivalents - Cash and cash equivalents included \$100,851,000 and \$121,300,000, primarily invested in SEI Daily Income Trust in 2001 and 2000, respectively, which are open ended money market mutual funds sponsored by SIMC. Approximately \$10,000,000 and \$11,900,000 of cash is restricted for the exclusive benefit of customers related to our brokerage services provided by SIDCO in 2001 and 2000, respectively. Interest income for 2001, 2000, and 1999 was \$6,945,000, \$6,419,000, and \$2,285,000, respectively (See Note 13).

Property and Equipment - Property and Equipment on the accompanying Consolidated Balance Sheets consists of the following:

<TABLE>
<CAPTION>

Estimated

	2001	2000	Useful Lives (In Years)
<S>	<C>	<C>	<C>
Equipment	\$ 74,809,000	\$ 71,377,000	3 to 5
Buildings	44,981,000	34,695,000	25 to 39
Land	9,345,000	9,345,000	N/A
Purchased software	18,952,000	16,035,000	3
Furniture and fixtures	14,748,000	14,230,000	3 to 5
Leasehold improvements	7,492,000	7,313,000	Lease Term
Construction in progress	20,581,000	5,990,000	N/A
	190,908,000	158,985,000	
Less: Accumulated depreciation and amortization	(95,104,000)	(83,874,000)	
Property and Equipment, net	\$ 95,804,000	\$ 75,111,000	

</TABLE>

34

Property and Equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful life of each asset. Expenditures for renewals and betterments are capitalized, while maintenance and repairs are charged to expense when incurred.

Construction in progress includes all construction costs, including interest on funds borrowed of \$500,000, associated with the design and construction of two new buildings and a parking structure for our corporate headquarters. Depreciation expense was \$17,883,000, \$15,410,000, and \$14,193,000 in 2001, 2000, and 1999, respectively.

Capitalized Software - The Company accounts for software development costs in accordance with Statement of Financial Accounting Standards No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed" ("SFAS 86"). Under SFAS 86, costs incurred to create a computer software product are charged to research and development expense as incurred until technological feasibility has been established. The Company establishes technological feasibility upon completion of a detailed program design. At that point, computer software costs are capitalized until the product is available for general release to customers. The establishment of technological feasibility and the ongoing assessment of recoverability of capitalized software development costs require considerable judgment by management with respect to certain external factors, including, but not limited to, anticipated future revenues, estimated economic life, and changes in technology.

Amortization begins when the product is released. Capitalized software development costs are amortized on a product-by-product basis using the straight-line method over the estimated economic life of the product or enhancement, which is ten years, with a weighted average remaining life of 6.6 years.

Capitalized software development costs consist primarily of salary, consulting, and computer costs incurred to develop new products and enhancements to existing products. During 2000 and 1999, software development costs of \$449,000, and \$1,362,000 were capitalized, respectively. No software development costs were capitalized in 2001. Amortization expense was \$1,767,000, \$1,895,000, and \$1,600,000 in 2001, 2000, and 1999, respectively, and is included in Operating and development expense on the accompanying Consolidated Statements of Operations.

Management continually evaluates the recoverability of existing software products, as well as strategies for new software products. The assessment as to the recoverability of existing software products includes an evaluation of expected future revenues and cash flows, acceptability of the product in the market, the ability to support the product in a cost-effective manner, and technological enhancements. In 2000 and 1999 management determined that certain software products were considered either obsolete or incapable of producing the future cash flows that were originally anticipated. As a result, the Company wrote off net capitalized software development costs of \$1,357,000 and \$1,204,000 in 2000 and 1999, respectively.

Accrued Liabilities - Accrued Liabilities on the accompanying Consolidated Balance Sheets consists of the following:

2001 2000

Accrued compensation	\$ 39,542,000	\$ 49,890,000
Accrued proprietary fund services	12,463,000	14,834,000
Accrued brokerage fees	8,456,000	4,316,000
Other accrued liabilities	67,947,000	52,242,000
	-----	-----
	128,408,000	121,282,000

Accrued proprietary fund services relates to marketing and promotional activities associated with the Company's bank related proprietary funds business.

35

Statements of Cash Flows - For purposes of the Consolidated Statements of Cash Flows, the Company considers investment instruments purchased with an original maturity of three months or less to be cash equivalents.

Supplemental disclosures of cash paid/received during the year is as follows:

<TABLE>			
<CAPTION>			
	2001	2000	1999
	-----	-----	-----
<S>	<C>	<C>	<C>
Interest paid	\$2,389,000	\$ 2,220,000	\$ 2,364,000
Interest and dividends received	7,434,000	5,921,000	2,552,000
Income taxes paid (Federal and state)	--	49,134,000	23,175,000
</TABLE>			

Cash flows from operating activities for 2000, and 1999 were adjusted to reflect distributions received from the unconsolidated affiliate. Previously these amounts were classified in investing activities.

Revenue Recognition - Principal sources of revenues are information processing and software services, management, administration, and distribution of mutual funds, brokerage and consulting services, and other asset management products and services. Revenues from these services are recognized in the periods in which they are performed. Cash received by the Company in advance of the performance of services is deferred and recognized as revenue when earned.

Income Taxes - The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"). Under SFAS 109, the liability method is used for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when the differences reverse (See Note 11).

Foreign Currency Translation - The assets and liabilities of foreign operations are translated into U.S. dollars using the rates of exchange at year end. The results of operations are translated into U.S. dollars at the average daily exchange rates for the period. All foreign currency transaction gains and losses are included in income in the periods in which they occur, and are immaterial for each of the three years in the period ended December 31, 2001.

Earnings Per Share - The Company calculates earnings per share in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("SFAS 128"). Basic earnings per common share is calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per common share reflects the potential dilution from the exercise or conversion of securities into common stock, such as stock options. (See Note 8).

<TABLE>			
<CAPTION>			

	For the year ended December 31, 2001		
	-----	-----	-----
	Net Income	Shares	Per Share
	(Numerator)	(Denominator)	Amount
	-----	-----	-----
<S>	<C>	<C>	<C>
Basic earnings per common share			
From continuing operations	\$124,944,000	108,596,000	\$1.15
Dilutive effect of stock options	--	6,214,000	

	For the year ended December 31, 2000		
	Net Income (Numerator)	Shares (Denominator)	Per Share Amount
Diluted earnings per common share From continuing operations	\$124,944,000	114,810,000	\$1.09

Basic earnings per common share From continuing operations	\$98,963,000	106,490,000	\$.93
Dilutive effect of stock options	--	7,330,000	

Diluted earnings per common share From continuing operations	\$98,963,000	113,820,000	\$.87

36

<TABLE>
<CAPTION>

	For the year ended December 31, 1999		
	Net Income (Numerator)	Shares (Denominator)	Per Share Amount
<S> Basic earnings per common share from continuing operations	<C> \$67,139,000	<C> 106,632,000	<C> \$.63
Dilutive effect of stock options	--	7,194,000	

Diluted earnings per common share from continuing operations	\$67,139,000	113,826,000	\$.59

</TABLE>

Options to purchase 2,777,000, 1,265,000, and 2,220,000 shares of common stock, with an average exercise price per share of \$45.95, \$49.96, and \$19.75, were outstanding during 2001, 2000, and 1999, respectively, but were excluded from the diluted earnings per common share calculation because the option's exercise price was greater than the average market price of the Company's common stock.

Comprehensive Income - Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS 130") establishes standards for reporting and presentation of comprehensive income and its components (revenues, expenses, gains and losses) in a full set of general purpose financial statements that is presented with equal prominence as other financial statements. Comprehensive income consists of net income, foreign currency translation adjustments, and unrealized holding gains and losses.

<TABLE>
<CAPTION>

	Pre-Tax Amount	Tax (Expense) or Benefit	Net of Tax Amount
<S>	<C>	<C>	<C>

For the Year Ended December 31, 1999:			

Unrealized holding gains arising during period	\$ 763	\$ (294)	\$ 469
Foreign currency translation adjustments	(61)	--	(61)

Total other comprehensive income	\$ 702	\$ (294)	\$ 408

For the Year Ended December 31, 2000:			

Unrealized holding losses arising during period ...	\$ (2,166)	\$ 823	\$ (1,343)
Foreign currency translation adjustments	(267)	--	(267)

Total other comprehensive income	\$ (2,433)	\$ 823	\$ (1,610)

For the Year Ended December 31, 2001:			

Unrealized holding losses arising during period ...	\$ (116)	\$ 43	\$ (73)
Foreign currency translation adjustments	(242)	--	(242)

Total other comprehensive loss	\$ (358)	\$ 43	\$ (315)
--------------------------------------	----------	-------	----------

</TABLE>

Management's Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications - Certain reclassifications have been made to conform to the current year presentation.

37

Note 2 - Receivables:

Receivables on the accompanying Consolidated Balance Sheets consist of the following:

	2001	2000
Trade receivables	\$26,415,000	\$22,558,000
Fees earned, not received	2,527,000	1,801,000
Fees earned, not billed	29,085,000	24,745,000
	-----	-----
	58,027,000	49,104,000
Less: Allowance for doubtful accounts	(1,700,000)	(1,700,000)
	-----	-----
	\$56,327,000	\$47,404,000

Fees earned, not received represent brokerage commissions earned but not yet collected. Fees earned, not billed result from timing differences between services provided and contractual billing schedules.

Receivables from regulated investment companies on the accompanying Consolidated Balance Sheets represent fees earned by the Company's wholly owned subsidiaries, SIDCO and SIMC, for distribution, investment advisory, and administration services provided by these subsidiaries to various regulated investment companies sponsored by the Company (See Note 13).

Note 3 - Investments Available for Sale:

Investments available for sale consist primarily of investments in mutual funds sponsored by the Company. The Company accounts for investments in marketable securities pursuant to Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115"). SFAS 115 requires that debt and equity securities classified as available for sale be reported at market value. Unrealized holding gains and losses, net of income taxes, are reported as a separate component of Comprehensive income. Realized gains and losses, as determined on a specific identification basis, are reported separately on the accompanying Consolidated Statements of Operations.

Investments available for sale at December 31, 2001 had an aggregate cost of \$67,996,000 and an aggregate market value of \$66,332,000, with gross unrealized holding losses of \$1,664,000. The net unrealized holding losses at December 31, 2001 were \$996,000 (net of income tax benefit of \$668,000). Investments available for sale at December 31, 2000 had an aggregate cost of \$21,710,000 and an aggregate market value of \$20,294,000, with gross unrealized holding losses of \$1,416,000. The net unrealized holding losses at December 31, 2000 were \$923,000 (net of income tax benefit of \$493,000). The net unrealized holding losses at December 31, 2001 and 2000 were reported as a separate component of Accumulated other comprehensive losses on the accompanying Consolidated Balance Sheets.

Note 4 - Derivative Instruments and Hedging Activities:

The Company is exposed to market risk associated with its designated Investments available for sale. To provide some protection against potential market fluctuations associated with its investments available for sale the Company has entered into various derivative financial transactions in the form of futures and equity contracts (i.e. derivatives).

The Company accounts for its derivatives in accordance with Statement of

Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," ("SFAS 133") and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133", ("SFAS 138").

38

The Company recognizes all derivatives on the balance sheet at fair value. On the date the derivative instrument is entered into, the Company generally designates the derivative as a hedge of the fair value of a recognized asset. Changes in the fair value of a derivative that is designated as, and meets all the required criteria for, a fair value hedge, along with the gain or loss on the hedged asset that is attributable to the hedged risk, are recorded in current period earnings. The portion of the change in fair value of a derivative associated with hedge ineffectiveness or the component of a derivative instrument excluded from the assessment of hedge effectiveness is recorded currently in earnings. Also, changes in the entire fair value of a derivative that is not designated as a hedge are recognized immediately in earnings. The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes relating all derivatives that are designated as fair value hedges to specific assets on the balance sheet.

The Company also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values of the hedged item. If it is determined that a derivative is not highly effective as a hedge or if a derivative ceases to be a highly effective hedge, the Company will discontinue hedge accounting prospectively.

For the year ended December 31, 2001, Operating and Development expenses on the accompanying Consolidated Statements of Operations include a net gain of \$355,000 from hedge ineffectiveness.

The Company currently holds futures contracts with a notional amount of \$10.7 million with a financial institution for various terms. The Company also currently holds equity derivatives with a notional amount of \$20.4 million with a financial institution with various terms. During 2001, the Company did not enter into or hold derivative financial instruments for trading purposes.

The following tabular disclosure provides information about the Company's derivative financial instruments.

	Expected Maturity Date					Total
	2002	2003	2004	2005	Thereafter	
Equity	--	\$20,375	--	--	--	\$20,375
Futures	10,664	--	--	--	--	10,664
Total	\$10,664	\$20,375	--	--	--	\$31,039

Note 5 - Other Assets:

Other assets on the accompanying Consolidated Balance Sheets consist of the following:

	2001	2000
Investment in unconsolidated affiliate	\$ 6,033,000	\$ 5,627,000
Other, net	15,550,000	12,696,000
Other assets	\$21,583,000	\$18,323,000

Other, net consists of long-term prepaid expenses, deposits and other investments carried at cost.

39

Investment in Unconsolidated Affiliate - The Company and several leading academics in the field of finance operate a general partnership, LSV Asset Management ("LSV"). LSV is a registered investment advisor which provides investment advisory services to institutions, including pension plans and investment companies. LSV is currently the portfolio manager for a number of Company-sponsored mutual funds and derived 10 percent of revenues in 2001 as portfolio manager for the Company's funds. The Company's interest in LSV was approximately 44 percent in 2001 and 47 percent in 2000. LSV is

accounted for using the equity method of accounting. The Company's portion of LSV's net earnings is reflected in Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Operations.

The following table contains condensed financial information of LSV:

Condensed Statement of Operations	2001	2000	1999
Revenues	\$31,193,000	\$22,974,000	\$20,108,000
Net income	\$23,070,000	\$16,170,000	\$14,388,000

Condensed Balance Sheet	2001	2000
Cash and cash equivalents	\$ 6,205,000	\$ 5,408,000
Accounts receivable	7,186,000	5,541,000
Other current assets	3,000	27,000
Non-current assets	89,000	103,000
Total assets	<u>\$13,483,000</u>	<u>\$11,079,000</u>
Current liabilities	\$ 1,686,000	\$ 1,285,000
Partners' capital	11,797,000	9,794,000
Total liabilities and partners' capital	<u>\$13,483,000</u>	<u>\$11,079,000</u>

The Company received partnership distribution payments from LSV of \$9,936,000 and \$6,900,000 in 2001 and 2000, respectively.

Note 6 - Line of Credit:

The Company has a line of credit agreement (the "Agreement") with a lending institution. The Agreement provides for borrowings of up to \$25,000,000, and expires on December 19, 2002, at which time the outstanding principal balance, if any, becomes due unless the Agreement is extended. The line of credit, when utilized, accrues interest at the Prime rate or one and one-quarter percent above the London Interbank Offered Rate (LIBOR). The Company is obligated to pay a commitment fee equal to one-quarter of one percent per annum on the average daily unused portion of the commitment. Certain covenants under the Agreement require the Company to maintain specified levels of net worth and place certain restrictions on investments. The Company was in compliance with these covenants during 2001.

There were no borrowings on the Company's line of credit during 2001 and 2000. Interest expense, including commitment fees, on the Company's line of credit was \$127,000, \$127,000, and \$79,000 for the years ended December 31, 2001, 2000, and 1999, respectively.

Note 7 - Long-term Debt:

On February 24, 1997, the Company signed a Note Purchase Agreement authorizing the issuance and sale of \$20,000,000 of 7.20% Senior Notes and \$15,000,000 of 7.27% Senior Notes (collectively, the "Notes") in a private offering with certain financial institutions. The Notes are unsecured with final maturities ranging from 10 to 15 years. The proceeds from the Notes were used to repay the outstanding balance on the Company's line of credit at that time. The Note Purchase Agreement, as amended, contains various covenants, including limitations on indebtedness, maintenance of minimum net worth levels, and restrictions on certain investments. In addition, the agreement limits the Company's ability to merge or consolidate, and to sell certain assets. Principal payments on the Notes are made annually from the date of issuance while interest payments are made semi-annually.

On June 26, 2001 the Company entered into a term loan agreement (the "Agreement") with a separate lending institution. The agreement provides for borrowings up to \$25,000,000, and expires on March 31, 2006 and is payable in seventeen equal quarterly installments. The term loan accrues interest at the Prime rate or one and thirty-five hundredths of one percent above the London Interbank Offered Rate (LIBOR). The Agreement contains various covenants, including limitations on indebtedness and restrictions on certain investments. On August 2, 2001, the Company borrowed the full

\$25,000,000. Principal payments on the notes are made quarterly from the date of issuance while interest payments are made based on the term of the LIBOR borrowing.

The carrying amount of the Company's long-term debt is not materially different from its fair value. The Company was in compliance with all covenants associated with its long-term debt during 2001.

Aggregate maturities of long-term debt at December 31, 2001 are:

2002.....	\$ 7,556,000
2003.....	9,555,000
2004.....	9,556,000
2005.....	9,555,000
2006.....	5,389,000
2007 and thereafter.....	9,000,000

	\$50,611,000

Interest expense relating to the Company's long-term debt was \$2,003,000, \$2,155,000, and \$2,296,000 for the years ended December 31, 2001, 2000, and 1999 respectively.

Note 8 - Shareholders' Equity:

Stock Split - On May 10, 2000, the Board of Directors approved a three-for-one stock split of the Company's \$.01 par value common stock, effected in the form of a stock dividend which was paid on June 19, 2000 to shareholders of record on June 5, 2000. A total of 35,400,000 shares of common stock were issued in connection with the stock split. The par value of the stock remained unchanged. Accordingly, a total of \$354,000 was reclassified from Retained earnings to Common stock.

On December 14, 2000, the Board of Directors approved a two-for-one stock split of the Company's \$.01 par value common stock, effected in the form of a stock dividend which was paid on February 28, 2001 to shareholders of record on February 19, 2001. On February 14, 2001, a special meeting of the shareholders was held and they approved an increase in the number of shares authorized to 750,000,000. A total of 54,309,000 shares of common stock were issued in connection with the stock split. The par value of the stock remained unchanged. Accordingly, a total of \$543,090 was reclassified from Retained earnings to Common stock. All shares have been adjusted to reflect these splits.

41

Stock-Based Compensation Plans - The Company has several stock option plans under which non-qualified and incentive stock options for common stock are available for grant to officers, directors, and key employees. The options granted and the option prices are established by the Board of Directors in accordance with the terms of the plans. The Board of Directors has reserved an aggregate 87,630,000 shares for grant under these plans. All options outstanding were granted at prices equal to the fair market value of the stock on the date of grant and expire 10 years after the date of grant. All options granted prior to December 1997 vest ratably over a four year period from the date of grant. All options granted in December 1997 and after vest ratably upon the Company's attainment of specific earnings targets or entirely after seven years from the date of grant. Earning targets are established on the date of grant.

The Company issues options at fair value and accounts for its stock option plans in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees". Accordingly, no compensation expense has been recognized. In 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"). SFAS 123 establishes a fair value based method of accounting for stock-based compensation plans. SFAS 123 requires that an employer's financial statements include certain disclosures about stock-based employee compensation arrangements regardless of the method used to account for the plan. Had the Company recognized compensation cost for its stock option plans consistent with the provisions of SFAS 123, the Company's net income and earnings per common share would have been reduced to the following pro forma amounts:

	2001	2000	1999

Net income:			
As reported	\$124,944	\$98,963	\$68,431
Pro forma	\$101,203	\$80,689	\$55,859

Basic earnings per common share:			
As reported	\$ 1.15	\$.93	\$.64
Pro forma	\$.93	\$.76	\$.52
Diluted earnings per common share:			
As reported	\$ 1.09	\$.87	\$.60
Pro forma	\$.88	\$.71	\$.49

The weighted average fair value of the stock options granted during 2001, 2000, and 1999 was \$64.49, \$71.31, and \$29.06, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	2001	2000	1999

Risk-free interest rate	4.80%	6.12%	5.81%
Expected dividend yield	0.22%	0.14%	0.30%
Expected life	7 Years	7 Years	7 Years
Expected volatility	42.31%	40.49%	40.24%

42

Certain information relating to the Company's stock option plans for 2001, 2000, and 1999 is summarized as follows:

<TABLE>
<CAPTION>

	Number of Shares	Weighted Average Price
	-----	-----
<S>	<C>	<C>
Balance as of December 31, 1998.....	19,464,000	5.21
Granted.....	2,592,000	19.15
Exercised.....	(2,970,000)	2.22
Expired or canceled.....	(186,000)	6.80
	-----	-----
Balance as of December 31, 1999.....	18,900,000	7.57
Granted.....	1,483,000	46.69
Exercised.....	(3,301,000)	2.84
Expired or canceled.....	(388,000)	12.63
	-----	-----
Balance as of December 31, 2000.....	16,694,000	11.87
Granted.....	1,491,000	42.72
Exercised.....	(3,392,000)	4.38
Expired or canceled.....	(68,000)	29.39
	-----	-----
Balance as of December 31, 2001.....	14,725,000	\$16.63
Exercisable as of December 31, 2001.....	8,373,000	\$6.17
Available for future grant as of December 31, 2001.....	3,648,000	--

</TABLE>

As of December 31, 2000 and 1999, there were 8,627,000 and 11,460,000 shares exercisable, respectively. The expiration dates for options at December 31, 2001 range from December 18, 2002 to December 13, 2011, with a weighted average remaining contractual life of 6.3 years.

The following table summarizes information relating to all options outstanding at December 31, 2001:

<TABLE>
<CAPTION>

Range of Exercise Prices	Options Outstanding at December 31, 2001		Options Exercisable at December 31, 2001		Weighted Average Remaining Contractual Life
	Number of	Weighted Average Exercise Price	Number Of	Weighted Average Exercise Price	
	-----	-----	-----	-----	

(Per Share)	Shares	(Per Share)	Shares	(Per Share)	(Years)
<S>	<C>	<C>	<C>	<C>	<C>
\$ 2.48 - \$ 3.30	2,164,000	\$ 2.92	2,164,000	\$ 2.92	2.4
3.60 - 4.38	2,457,000	3.82	2,457,000	3.82	3.9
7.00	2,249,000	7.00	2,249,000	7.00	6.0
8.75 - 19.00	2,872,000	14.31	1,503,000	13.47	7.1
19.75 - 42.00	2,296,000	21.06	--	--	8.1
42.86 - 50.00	2,687,000	46.17	--	--	9.6
	14,725,000		8,373,000		

</TABLE>

43

Employee Stock Purchase Plan - The Company has an employee stock purchase plan that provides for offerings of common stock to eligible employees at a price equal to 85 percent of the fair market value of the stock at the end of the stock purchase period, as defined. The Company has reserved 7,800,000 shares for issuance under this plan. At December 31, 2001, 4,982,000 cumulative shares have been issued.

Common Stock Buyback - The Board of Directors has authorized the purchase of the Company's common stock on the open market or through private transactions of up to an aggregate of \$503,365,000. Through December 31, 2001, a total of 101,102,000 shares at an aggregate cost of \$458,440,000 have been purchased and retired. The Company purchased 2,837,000 shares at a cost of \$103,349,000 during 2001.

The Company immediately retires its common stock when purchased. Upon retirement, the Company reduces Capital in excess of par value for the average capital per share outstanding and the remainder is charged against Retained earnings. If the Company reduces its Retained earnings to zero, any subsequent purchases of common stock will be charged entirely to Capital in excess of par value.

Shareholders' Rights Plan - On December 10, 1998, the Company's Board of Directors adopted a new Shareholder Rights Plan to replace the Shareholder Rights Plan originally adopted in 1988, which expired on December 19, 1998. The Company's Shareholder Rights Plan is designed to deter coercive or unfair takeover tactics and to prevent a person or group from acquiring control of the Company without offering a fair price to all shareholders.

Under the terms of the 1998 Shareholder Rights Plan, all common shareholders of record at the close of business on December 19, 1999 shall receive one Right for each outstanding common share of the Company. Any new common shares issued after December 19, 1999 will receive one Right for each common share. Each Right entitles the registered holder to purchase from the Company one two-thousandths of a share of Series A Junior Participating Preferred Shares, par value \$.05 per share, at an exercise price of \$500 per share. The Rights will become exercisable and trade separately from the common stock 10 days following a public announcement that a person or group is the beneficial owner of 20 percent or more of the outstanding common stock (the "Stock Acquisition Date"), or the commencement of a tender or exchange offer that would result in such a person or group owning 20 percent or more of the outstanding common stock.

In the event that the Company is involved in a merger or other business combination in which the Company survives and its common stock remains outstanding, the other stockholders will be able to exercise the Rights and buy common stock of the Company having twice the value of the exercise price of the Rights. Additionally, if the Company is involved in certain other mergers where its shares are exchanged or certain major sales of its assets occur, stockholders will be able to purchase the other party's common shares in an amount equal to twice the value of the exercise price of the Rights. Upon the occurrence of any of these events, the Rights will no longer be exercisable into Preferred Shares.

The Rights, which do not have voting rights, will expire on December 19, 2008, and may be redeemed by the Company any time until ten days following the Stock Acquisition Date at a price of \$.01 per Right.

Dividends - On May 29, 2001, the Board of Directors declared a cash dividend of \$.05 per share on the Company's common stock, which was paid on June 26, 2001, to shareholders of record on June 12, 2001. On December 13, 2001, the Board of Directors declared a cash dividend of \$.05 per share on the Company's common stock, which was paid on January 22, 2002, to shareholders of record on January 4, 2002.

The dividends declared in 2001, 2000, and 1999 were \$10,904,000, \$8,595,000, and \$7,077,000, respectively. The Board of Directors has indicated its intention to pay future dividends on a semiannual basis.

Note 9 - Employee Benefit Plan:

The Company has a tax-qualified defined contribution plan (the "Plan"). The Plan provides retirement benefits, including provisions for early retirement and disability benefits, as well as a tax-deferred savings feature. After satisfying certain requirements, participants are vested in employer contributions at the time the contributions are made. All Company contributions are discretionary and are made from available profits. The Company contributed \$4,377,000, \$2,210,000, and \$1,774,000 to the Plan in 2001, 2000, and 1999, respectively.

Note 10 - Commitments and Contingencies:

The Company has entered into various operating leases for facilities, data processing equipment, and software. Some of these leases contain escalation clauses for increased taxes and operating expenses. Rent expense was \$13,790,000, \$11,822,000, and \$11,166,000 in 2001, 2000, and 1999, respectively.

Aggregate noncancellable minimum lease commitments at December 31, 2001 are:

2002.....	\$ 8,176,000
2003.....	8,110,000
2004.....	4,490,000
2005.....	1,909,000
2006.....	1,568,000
2007 and thereafter.....	10,253,000

	\$34,506,000

In the normal course of business, the Company is party to various claims and legal proceedings. Although the ultimate outcome of these matters is presently not determinable, management, after consultation with legal counsel, does not believe that the resolution of these matters will have a material adverse effect upon the Company's financial position or results of operations.

Note 11 - Income Taxes:

Income taxes from continuing operations consist of the following:

<TABLE> <CAPTION> Year Ended December 31,	2001	2000	1999
<S>	<C>	<C>	<C>
Current			
Federal	\$66,926,000	\$56,752,000	\$42,144,000
State	2,510,000	3,554,000	3,369,000
	-----	-----	-----
	69,436,000	60,306,000	45,513,000
	-----	-----	-----
Deferred, including current deferred			
Federal	3,089,000	783,000	(2,577,000)
State	855,000	(434,000)	(906,000)
	-----	-----	-----
	3,944,000	349,000	(3,483,000)
	-----	-----	-----
Total income taxes from continuing operations	\$73,380,000	\$60,655,000	\$42,030,000

</TABLE>

The effective income tax rate from continuing operations differs from the Federal income tax statutory rate due to the following:

Year Ended December 31,	2001	2000	1999
-----	-----	-----	-----
Statutory rate.....	35.0%	35.0%	35.0%
State taxes, net of Federal tax benefit.....	1.1	1.2	1.4

Foreign losses.....	.5	.3	1.5
Other, net.....	.4	1.5	0.6
	----	-----	----
	37.0%	38.0%	38.5%

Deferred income taxes for 2001, 2000, and 1999 reflect the impact of "temporary differences" between the amount of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. Principal items comprising the deferred income tax provision (benefit) from continuing operations are as follows:

<TABLE>
<CAPTION>

Year Ended December 31,	2001	2000	1999
<S>	<C>	<C>	<C>
Difference in financial reporting and income tax depreciation methods	\$ (517,000)	\$ (192,000)	\$ (62,000)
Reserves not currently deductible	518,000	488,000	(11,000)
Capitalized software currently deductible for tax purposes, net of amortization	(617,000)	(981,000)	(504,000)
State deferred income taxes	556,000	(283,000)	(589,000)
Revenue and expense recognized in different periods for financial reporting and income tax purposes	4,142,000	542,000	(2,064,000)
Other, net	(138,000)	775,000	(253,000)
	-----	-----	-----
	\$3,944,000	\$ 349,000	\$ (3,483,000)

</TABLE>

The net deferred income tax asset is comprised of the following:

<TABLE>
<CAPTION>

Year Ended December 31,	2001	2000
<S>	<C>	<C>
Current deferred income taxes:		
Gross assets	\$ 4,459,000	\$ 9,030,000
Gross liabilities	--	--
	-----	-----
	4,459,000	9,030,000
	-----	-----
Long-term deferred income taxes:		
Gross assets	220,000	63,000
Gross liabilities	(3,145,000)	(4,771,000)
	-----	-----
	(2,925,000)	(4,708,000)
	-----	-----
Net deferred income tax asset	\$ 1,534,000	\$ 4,322,000

The Company did not record any valuation allowance against deferred tax assets at December 31, 2001 and 2000.

</TABLE>

46

The tax effect of significant temporary differences representing deferred tax assets (liabilities) is as follows:

<TABLE>
<CAPTION>

Year Ended December 31,	2001	2000
<S>	<C>	<C>
Difference in financial reporting and income tax depreciation methods	\$ 807,000	\$ 131,000
Reserves not currently deductible	1,407,000	802,000
Capitalized software currently deductible for tax purposes, net of amortization	(4,666,000)	(5,391,000)
State deferred income taxes	9,000	(265,000)
Revenue and expense recognized in different periods for financial reporting and income tax purposes	3,258,000	8,493,000
Unrealized holding gain on investments	719,000	552,000

Other income, Net							\$ 11,659

Income before income taxes							\$159,618

Depreciation and amortization	\$ 10,807	\$ 2,970	\$ 1,020	\$ 860	\$ 1,137	\$ 511	\$ 17,305
	-----	-----	-----	-----	-----	-----	-----
Capital Expenditures	\$ 16,462	\$ 3,809	\$ 1,404	\$ 1,148	\$ 2,039	\$ 2,326	\$ 27,188
	-----	-----	-----	-----	-----	-----	-----
Total Assets	\$ 93,510	\$ 22,648	\$35,178	\$23,760	\$ 33,418	\$167,068	\$375,582
	-----	-----	-----	-----	-----	-----	-----

</TABLE>

48

<TABLE>
<CAPTION>

1999	Private Banking & Trust	Investment Advisors	Enterprises	Money Managers	Investments In New Businesses	General And Administrative	Total
	-----	-----	-----	-----	-----	-----	-----
	(In thousands)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	\$294,673	\$76,831	\$36,749	\$22,738	\$ 25,201		\$456,192
	-----	-----	-----	-----	-----		-----
Operating income (loss)	\$109,919	\$18,120	\$ 4,727	\$ (557)	\$ (17,417)	\$ (12,298)	\$102,494
	-----	-----	-----	-----	-----	-----	-----
Other income, net							\$ 6,675

Income before income taxes							\$109,169

Depreciation and amortization	\$ 10,281	\$ 2,560	\$ 911	\$ 666	\$ 987	\$ 388	\$ 15,793
	-----	-----	-----	-----	-----	-----	-----
Capital Expenditures	\$ 9,923	\$ 3,028	\$ 1,158	\$ 763	\$ 977	\$ 1,405	\$ 17,254
	-----	-----	-----	-----	-----	-----	-----
Total Assets	\$ 81,460	\$20,860	\$18,186	\$19,121	\$ 31,111	\$ 83,041	\$253,779
	-----	-----	-----	-----	-----	-----	-----

</TABLE>

General and Administrative consists of expenses and assets attributable to corporate overhead groups that are not allocated to the operating segments for internal financial reporting purposes. Unallocated assets primarily consist of cash and cash equivalents, deferred tax assets, the investment in LSV, and certain other shared services assets.

The following table presents the details of other income (expense):

For the Year Ended December 31,	2001	2000	1999
	-----	-----	-----
Equity in the earnings of unconsolidated affiliate	\$10,342,000	\$ 7,533,000	\$ 6,765,000
Interest income	6,945,000	6,419,000	2,285,000
Interest expense	(2,149,000)	(2,293,000)	(2,375,000)
	-----	-----	-----
	\$15,138,000	\$11,659,000	\$ 6,675,000
	-----	-----	-----

The following table presents revenues by country based on the location of the use of the products or services:

For the Year Ended December 31,	2001	2000	1999
	-----	-----	-----
United States	\$617,108,000	\$559,574,000	\$429,517,000

International operations	40,905,000	39,232,000	26,675,000
	-----	-----	-----
	\$658,013,000	\$598,806,000	\$456,192,000

49

The following table presents assets based on its location:

	2001	2000	1999
United States	\$418,550,000	\$354,695,000	\$231,620,000
International operations	42,366,000	20,887,000	22,159,000
	-----	-----	-----
	\$460,916,000	\$375,582,000	\$253,779,000

Note 13 - Related Party Transactions:

The Company, either by itself or through its wholly owned subsidiaries, is a party to Investment Advisory and Administration Agreements with several regulated investment companies ("RICs"), which are administered by the Company. Shares of the RICs are offered to clients of the Company and its subsidiaries. Under the Investment Advisory and Administration Agreements, The Company receives a fee for providing investment advisory, administrative, and accounting services to the RICs. The investment advisory and administration fee is a fixed percentage, referred to as basis points, of the average daily net asset value of each RIC, subject to certain limitations. Investment advisory and administration fees received by the Company totaled \$299,108,000, \$246,308,000, and \$196,608,000 in 2001, 2000, and 1999, respectively. The Company is also a party to Distribution Agreements with several RICs, which are advised and/or administered by the Company. The Company receives a fee from the RICs for providing distribution services pursuant to the provisions of various Rule 12b-1 Plans adopted by the RICs. These distribution fees totaled \$49,209,000, \$41,129,000, and \$25,883,000 in 2001, 2000, and 1999, respectively.

Note 14 - Quarterly Financial Data (Unaudited):

<TABLE>
<CAPTION>

2001	For the Three Months Ended			
	March 31	June 30	Sept. 30	Dec. 31
<S>	<C>	<C>	<C>	<C>
Revenues	\$161,301,000	\$168,480,000	\$163,403,000	\$164,829,000
Income before income taxes	\$ 45,570,000	\$ 49,471,000	\$ 50,621,000	\$ 52,662,000
Net income	\$ 28,709,000	\$ 31,167,000	\$ 31,891,000	\$ 33,177,000
Basic earnings per common share ...	\$.26	\$.29	\$.29	\$.31
Diluted earnings per common share ..	\$.25	\$.27	\$.28	\$.29

</TABLE>

<TABLE>
<CAPTION>

2000	For the Three Months Ended			
	March 31	June 30	Sept. 30	Dec. 31
<S>	<C>	<C>	<C>	<C>
Revenues	\$138,746,000	\$146,440,000	\$155,628,000	\$157,992,000
Income before income taxes	\$ 32,691,000	\$ 36,496,000	\$ 44,324,000	\$ 46,107,000
Net income	\$ 20,269,000	\$ 22,627,000	\$ 27,481,000	\$ 28,586,000
Basic earnings per common share ...	\$.19	\$.21	\$.26	\$.27
Diluted earnings per common share ..	\$.18	\$.20	\$.24	\$.25

</TABLE>

50

A portion of the Company's total personnel costs are paid in the form of incentive and sales compensation tied to performance objectives. Performance objectives, which may include financial and non-financial goals, are established each year at the Company and business unit levels. Incentive and sales compensation costs are charged to expense throughout the year based on estimates of annual performance and adjusted in the fourth quarter after the actual achievement of performance objectives are determined.

SEI INVESTMENTS COMPANY AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

FOR EACH OF THE THREE YEARS IN THE PERIOD ENDED DECEMBER 31, 2001

<TABLE>
<CAPTION>

Description	Balance at Beginning of Year	Additions		(Deductions)	Balance at End of Year
		Charged to Costs and Expenses	Charged to Other Accounts		
<S>	<C>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 1999:					
Allowance for doubtful accounts	\$1,200,000	\$500,000	\$--	\$--	\$1,700,000
	=====	=====	===	===	=====
For the Year Ended December 31, 2000:					
Allowance for doubtful accounts	\$1,700,000	\$ --	\$--	\$--	\$1,700,000
	=====	=====	===	===	=====
For the Year Ended December 31, 2001:					
Allowance for doubtful accounts	\$1,700,000	\$ --	\$--	\$--	\$1,700,000
	=====	=====	===	===	=====

</TABLE>

52

Item 9. Changes in and disagreements with Accountants on Accounting and

Financial Disclosure.

None.

53

PART III

Item 10. Directors and Executive Officers of the Registrant.

The information required by this item concerning directors is hereby incorporated by reference to the Company's definitive proxy statement for its 2002 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission within 120 days after December 31, 2001 pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "2002 Proxy Statement").

The executive officers of the Company are as follows:

ALFRED P. WEST, JR., 59, has been the Chairman of the Board of Directors and Chief Executive Officer of the Company since its inception in 1968. Mr. West was President from June 1979 to August 1990.

CARMEN V. ROMEO, 58, has been an Executive Vice President since December 1985. Mr. Romeo has been a Director since June 1979. Mr. Romeo was Treasurer and Chief Financial Officer from June 1979 to September 1996.

CARL A. GUARINO, 44, has been an Executive Vice President since March 2000 and a Senior Vice President since April 1988, and was General Counsel from April 1988 to January 1994.

EDWARD D. LOUGHLIN, 51, has been an Executive Vice President since January 1994 and a Senior Vice President since January 1988.

DENNIS J. MCGONIGLE, 41, has been an Executive Vice President since July 1996. Mr. McGonigle has been a Senior Vice President since January 1994 and a Vice President since January 1991.

WAYNE M. WITHROW, 46, has been an Executive Vice President and Chief Information Officer since March 2000. Mr. Withrow has been a Senior Vice President since January 1994.

KEVIN P. ROBINS, 40, has been a Senior Vice President since January 1994 and a Vice President since January 1992. Mr. Robins was General Counsel from January

1994 to March 2000.

TODD B. CIPPERMAN, 36, has been a Senior Vice President and General Counsel since March 2000 and a Vice President since May 1995.

KATHY HEILIG, 43, has been Chief Accounting Officer and Controller since May 1999 and a Vice President since 1991.

MARK SAMUELS, 54, has been a Senior Vice President since 1995.

ROBERT F. CRUDUP, 54, has been a Senior Vice President since 1995 and an Executive Vice President since June 1998.

JUDITH E. TSCHIRGI, 47, has been a Senior Vice President since January 2001.

JOE P. UJOBAL, 40, has been a Senior Vice President since 1995.

MARK NAGLE, 42, has been a Senior Vice President since January 2001 and a Vice President since 1995.

KENNETH G. ZIMMER, 45, has been a Senior Vice President since 1990.

54

Item 11. Executive Compensation.

The information called for in this item is hereby incorporated by reference to the 2002 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information called for in this item is hereby incorporated by reference to the 2002 Proxy Statement.

Item 13. Certain Relationships and Related Transactions.

The information called for in this item is hereby incorporated by reference to the 2002 Proxy Statement.

55

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

<TABLE>	
<S>	<C>
(a) 1 and 2.	Financial Statements and Financial Statement Schedules. The following is a list of the Consolidated ----- Financial Statements of the Company and its subsidiaries and supplementary data filed as part of Item 8 hereof: Report of Independent Public Accountants Consolidated Balance Sheets -- December 31, 2001 and 2000 Consolidated Statements of Operations -- For the years ended December 31, 2001, 2000, and 1999 Consolidated Statements of Shareholders' Equity -- For the years ended December 31, 2001, 2000, and 1999 Consolidated Statements of Cash Flows -- For the years ended December 31, 2001, 2000, and 1999 Notes to Consolidated Financial Statements Schedule II -- Valuation and Qualifying Accounts All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.
3.	Exhibits, Including Those Incorporated by Reference. The exhibits to this Report are listed on the ----- accompanying index to exhibits and are incorporated herein by reference or are filed as part of this annual report on Form 10-K.
(b) December	Reports on Form 8-K. No reports on Form 8-K were filed by the Company during the quarter ended ----- 31, 2001.
</TABLE>	

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SEI INVESTMENTS COMPANY

Date March 28, 2002 By /s/ Kathy Heilig

 Kathy Heilig
 Vice President and Controller
 (Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on dates indicated.

Date March 28, 2002 By /s/ Alfred P. West, Jr.

 Alfred P. West, Jr.
 Chairman of the Board,
 Chief Executive Officer,
 and Director

Date March 28, 2002 By /s/Carmen V. Romeo

 Carmen V. Romeo
 Executive Vice President and
 Director

Date March 28, 2002 By /s/ Richard B. Lieb

 Richard B. Lieb
 Executive Vice President and
 Director

Date March 28, 2002 By /s/ Henry H. Greer

 Henry H. Greer
 Director

Date March 28, 2002 By /s/ William M. Doran

 William M. Doran
 Director

Date March 28, 2002 By /s/ Henry H. Porter, Jr.

 Henry H. Porter, Jr.
 Director

Date March 28, 2002 By /s/ Kathryn M. McCarthy

 Kathryn M. McCarthy
 Director

Date March 28, 2002 By /s/ Sarah Blumenstein

 Sarah Blumenstein
 Director

EXHIBIT INDEX

The following is a list of exhibits filed as part of this annual report on Form 10-K. For exhibits incorporated by reference, the location of the exhibit in the previous filing is indicated in parentheses.

- 3.1 Articles of Incorporation of the Registrant as amended on January 21, 1983. (Incorporated by reference to exhibit 3.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31,

- 1982.)
- 3.1.2 Amendment to Articles of Incorporation of the Registrant, dated May 21, 1992. (Incorporated by reference to exhibit 3.1.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.)
 - 3.1.3 Amendment to Articles of Incorporation of the Registrant, dated May 26, 1994. (Incorporated by reference to exhibit 3.1.3 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
 - 3.1.4 Amendment to Articles of Incorporation of the Registrant, dated November 21, 1996. (Incorporated by reference to exhibit 3.1.4 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
 - 3.1.5 Amendment to Articles of Incorporation of the Registrant, dated February 14, 2001. (Incorporated by reference to exhibit 3.1.5 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2000)
 - 3.2 By-Laws. (Incorporated by reference to exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1983.)
 - 3.2.1 Amendment to By-Laws, dated December 19, 1988. (Incorporated by reference to exhibit 3.2.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1988.)
 - 3.2.2 Amendment to By-Laws, dated July 12, 1990. (Incorporated by reference to exhibit 3.2.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990.)
 - 4.1 Form of Certificate for Shares of Common Stock. (Incorporated by reference to exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1988.)
 - 4.2 Rights Agreement dated December 10, 1998. (Incorporated by reference to exhibit 4.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1998.)

Note: Exhibits 10.1 through 10.9 constitute the management contracts and executive compensatory plans or arrangements in which certain of the directors and executive officers of the Registrant participate.

- 10.1 Stock Option Plan, Amended, Restated and Renewed as of February 11, 1997. (Incorporated by reference to exhibit 99(a) to the Registrant's Registration Statement on Form S-8 (No. 333-63709) filed September 18, 1998.)
 - 10.1.1 1997 Stock Option Plan. (Incorporated by reference to exhibit 99(b) to the Registrant's Registration Statement on Form S-8 (No. 333-63709) filed September 18, 1998.)
 - 10.1.2 1997 Option Share Deferral Plan. (Incorporated by reference to exhibit 99(c) to the Registrant's Registration Statement on Form S-8 (No. 333-63709) filed September 18, 1998.)
 - 10.1.3 1998 Equity Compensation Plan. (Incorporated by reference to exhibit 99(f) to the Registrant's Registration Statement on Form S-8 (No. 333-63709) filed September 18, 1998.)
 - 10.1.4 First Amendment to the 1998 Equity Compensation Plan. (Incorporated by reference to exhibit 10.1.4 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1999.)
- 10.2 Employee Stock Ownership Plan. (Incorporated by reference to exhibit 10.3 (b) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1985.)
- 10.3 Employee Stock Purchase Plan, Amended and Restated as of May 8, 1991. (Incorporated by reference to exhibit 10.3 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1991.)
 - 10.3.1 Employee Stock Purchase Plan as Amended and Restated on October 15, 1997. (Incorporated by reference to exhibit 99(e) to the Registrant's Registration Statement on Form S-8 (No. 333-63709) filed September 18, 1998.)
- 10.4 SEI Capital Accumulation Plan. (Incorporated by reference to exhibit 99(e) to the Registrant's Registration Statement on Form S-8 (No. 333-41343) filed December 2, 1997.)
- 10.5 Stock Option Plan for Non-Employee Directors. (Incorporated by reference to exhibit 10.12 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1988.)
 - 10.5.1 Amendment 1997-1 to the Stock Option Plan for Non-Employee Directors. (Incorporated by reference to exhibit 10.5.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1997.)
- 10.5.2 1997 Option Share Deferral Plan for Non-Employee Directors. (Incorporated by reference to exhibit 99(d) to the Registrant's Registration Statement on Form S-8 (No. 333-63709) filed September 18, 1998.)
- 10.6 Employment Agreement, dated May 25, 1979, between Alfred P. West, Jr. and the Registrant. (Incorporated by reference to exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990.)
- 10.7 Employment Agreement, dated January 21, 1987, between Gilbert L. Beebower and the Registrant. (Incorporated by reference to exhibit

- 10.8 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990.)
- 10.8.1 Employment Agreement, dated July 1, 1987, between Richard B. Lieb and the Registrant. (Incorporated by reference to exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990.)
- 10.8.2 Stock Option Agreement, dated February 23, 1989, between Richard B. Lieb and a subsidiary of the Registrant, as amended. (Incorporated by reference to exhibit 10.8.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.)
- 10.9 Summary of Company Bonus Plan for Senior Management. (Incorporated by reference to exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993.)
- 10.11 Directors and Officers Liability Insurance Policy. (Incorporated by reference to exhibit 10.9 to the Registrant's Registration Statement on Form S-8 (No.2-78133) filed June 25, 1982.)
- 10.12 Lease Agreement, dated as of January 1, 1990, between The Canada Life Assurance Company and the Registrant. (Incorporated by reference to exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990.)
- 10.13 Lease Agreement, dated as of May 1, 1991, between Two North Riverside Plaza Joint Venture and the Registrant. (Incorporated by reference to exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1991.)
- 10.14 Credit Agreement, dated May 31, 1992, between Provident National Bank and the Registrant, as amended. (Incorporated by reference to exhibit 10.12 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.)
- 10.14.1 Second Modification Agreement to the Credit Agreement, dated April 19, 1993, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993.)
- 10.14.2 Third Modification Agreement to the Credit Agreement, dated May 31, 1993, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993.)
- 10.14.3 Fourth Modification Agreement to the Credit Agreement, dated March 14, 1994, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.3 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
- 10.14.4 Fifth Modification Agreement to the Credit Agreement, dated May 31, 1994, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.4 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
- 10.14.5 Sixth Modification Agreement to the Credit Agreement, dated May 5, 1995, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.5 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)
- 10.14.6 Seventh Modification Agreement to the Credit Agreement, dated June 15, 1995, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.6 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)
- 10.14.7 Eighth Modification Agreement to the Credit Agreement, dated October 19, 1995, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)
- 10.14.8 Ninth Modification Agreement to the Credit Agreement, dated March 31, 1996, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.8 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
- 10.14.9 Tenth Modification Agreement to the Credit Agreement, dated May 31, 1996, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant.

59

- (Incorporated by reference to exhibit 10.14.9 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
- 10.14.10 Eleventh Modification Agreement to the Credit Agreement, dated October 1, 1996, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.10 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
- 10.14.11 Release and Modification Agreement to the Credit Agreement, dated February 20, 1997, between PNC Bank, National Association, successor

- by merger to Provident National Bank, and the Registrant.
(Incorporated by reference to exhibit 10.14.11 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
- 10.14.12 Thirteenth Modification Agreement to the Credit Agreement, dated May 30, 1997, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.12 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1997.)
- 10.14.13 Fourteenth Modification Agreement to the Credit Agreement, dated December 31, 1997, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.13 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1997.)
- 10.14.14 Fifteenth Modification Agreement to the Credit Agreement, dated March 31, 1998, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.14 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1998.)
- 10.14.15 Sixteenth Modification Agreement to the Credit Agreement, dated May 29, 1998, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.15 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1998.)
- 10.14.16 Seventeenth Modification Agreement to the Credit Agreement, dated September 29, 1998, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.16 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1998.)
- 10.14.17 Eighteenth Modification Agreement to the Credit Agreement, dated November 18, 1999, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.17 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1999.)
- 10.14.18 Nineteenth Modification Agreement to the Credit Agreement, dated December 30, 1999, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.18 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1999.)
- 10.14.19 Twentieth Modification Agreement to the Credit Agreement, dated December 30, 2000, between PNC Bank, National Association, successor by merger to Provident National Bank, and the Registrant. (Incorporated by reference to exhibit 10.14.19 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.)
- 10.15 Pledge Agreement, dated May 31, 1992, between Provident National Bank and the Registrant. (Incorporated by reference to exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.)
- 10.16 Master Lease Agreement, dated December 29, 1989, between Varilease Corporation and the Registrant, as amended. (Incorporated by reference to exhibit 10.14 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.)
- 10.17 Note Purchase Agreement, dated as of February 24, 1997, with respect to the issuance by the Registrant of \$20,000,000 7.20% Senior Notes, Series A, due February 24, 2007, and \$15,000,000 7.27% Senior Notes, Series B, due February 24, 2012. (Incorporated by reference to exhibit 10.17 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
- 10.17.1 First Amendment, dated December 15, 1998, to Note Purchase Agreement, dated February 24, 1997. (Incorporated by reference to exhibit 10.17.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1998.)
- 10.18* Term Loan Agreement, dated June 26, 2001 between Firststar Bank, National Association and the registrant.
- 10.19* Credit Agreement, dated June 26, 2001 between PNC Bank, National Association and the registrant.
- 21* Subsidiaries of the Registrant. (Page 110)
- 23* Consent of Independent Public Accountants. (Page 113)

60

- 99.1 * Miscellaneous exhibits. (Page 115)
99.2 * Miscellaneous exhibits. (Page 117)

* Filed herewith as an exhibit to this Form 10-K.

61

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement") is made and entered into as of this 26th day of June, 2001 by and between SEI INVESTMENTS COMPANY, a Pennsylvania corporation ("Borrower") and FIRSTAR BANK, N.A., a national banking association ("Firststar"), (the "Bank").

1. Representations and Warranties. To induce the Bank to enter

into this Agreement and to agree to make the loan described in Section 4 hereof (the "Loan"), the Borrower makes the following representations and warranties:

(a) Existence. The Borrower is duly organized, validly existing

and in good standing as a corporation under the laws of the Commonwealth of Pennsylvania, and each Subsidiary (as hereinafter defined) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. The Borrower and each Subsidiary are duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction in which the failure to be so qualified by the Borrower or the Subsidiary would have a material adverse effect on the business or financial condition of the Borrower and its Subsidiaries, taken as a whole. "Subsidiary" for purposes hereof means any corporation or other entity the majority of the voting stock of which is owned, directly or indirectly, beneficially or of record, by the Borrower or any Subsidiary, or which is otherwise controlled, directly or indirectly, by the Borrower or any Subsidiary.

(b) Authority. The Borrower and each Subsidiary have full

corporate power and authority to own their properties and to conduct their businesses as such businesses are now being conducted, and the Borrower has full power and authority to execute, deliver and perform under this Agreement, the Note (as hereinafter described) and all other documents and instruments executed by it in connection with or otherwise relating to this Agreement or the Loan (collectively, the "Loan Documents").

(c) Borrowing Authorization. The execution, delivery and

performance by the Borrower of this Agreement, the Note and the other Loan Documents: (i) have been duly authorized by all requisite corporate action; (ii) do not and will not violate (A) any provision of any law, statute, rule or regulation, (B) any order, judgment or decree of any court, arbitrator or other agency of government, (C) the Articles or Certificates of Incorporation or By-laws or other organizational or governing documents of the Borrower and the Subsidiaries, or (D) any provision of any agreement (including, without limitation, any agreement with stockholders) to which the Borrower or any Subsidiary is a party or subject, or by which it or any of its properties or assets are bound; (iii) do not and will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Borrower or any Subsidiary; and (iv) do not and will not require any consent, approval or other action by or any notice to or filing with any court or administrative or governmental body. This Agreement and the other Loan Documents have been duly executed and delivered on behalf of the Borrower and constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms.

(d) Financial Information and Reports. Exhibit "1(d)" to this

Agreement is a complete list of the financial statements previously furnished by the Borrower to the Bank in connection with the borrowings to be made hereunder. Each such historical financial statement fairly presents in accordance with generally accepted accounting principles (except as noted in Exhibit "1(d)") the

financial condition of the Borrower and its Subsidiaries and the results of their operations as of the date (or with respect to the period) noted in such financial statements (and subject, in the case of interim statements, to the absence of footnotes and changes resulting from audits and year-end adjustments). Other than any liability incident to any actions described in Exhibit "1(f)" to this Agreement or any liability arising subsequent to the date

of such statements and disclosed to the Bank, neither the Borrower nor any Subsidiary has any material contingent liabilities required to be disclosed under generally accepted accounting principles which are not provided for or disclosed in such financial statements. Each such historical statement (including any related schedule and/or notes) is true, correct and complete in all material respects (subject, as to interim statements, to the absence of

footnotes and changes resulting from audits and year-end adjustments) and has been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods involved (except as stated therein). No such historical statement omits to state a material fact necessary to make such statement not misleading in light of the circumstances under which it was made. There has been no material adverse change in the business,

63

operations or condition (financial or otherwise) of the Borrower (or Borrower and the Subsidiaries taken as a whole) since the date of the most recent of such financial statements except for the actions described on Exhibit "1(f)".

(e) Indebtedness. Neither the Borrower nor any Subsidiary has any

Indebtedness (as hereinafter defined) other than Permitted Indebtedness (as hereinafter defined), or is obligated pursuant to a guaranty of the obligations of any person other than a Subsidiary (except as related to and specified as Permitted Indebtedness, or by endorsement of negotiable instruments payable on sight for deposit or collection or similar banking transactions in the usual course of business), and to the best of the Borrower's knowledge after diligent investigation, there exists no default under the provisions of any instrument evidencing any Indebtedness of the Borrower or any Subsidiary or of any agreement relating thereto. "Indebtedness" as used in this Agreement means all indebtedness for borrowed money which in accordance with generally accepted accounting principles would be considered as a liability, all rental obligations under leases required to be capitalized under generally accepted accounting principles, all guarantees and other contingent obligations in respect of, or obligations to purchase or otherwise acquire, Indebtedness of others, and Indebtedness of others secured by any lien on property owned by the Borrower or any Subsidiary, whether or not the Borrower or such Subsidiary has assumed such Indebtedness.

(f) Actions. As of the date of this Agreement, there is no

action, suit, investigation or proceeding pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any Subsidiary before any court, arbitrator or administrative or governmental agency except for those described in Exhibit "1(f)" to this Agreement. No such action, suit,

investigation or proceeding is reasonably likely to result in any material adverse change in the business, operations or condition (financial or otherwise) of the Borrower (or Borrower and the Subsidiaries taken as a whole), nor, to the best of the Borrower's knowledge after diligent investigation, is there any basis for any such action which is reasonably likely to result in such a material adverse change.

(g) Title to Property. The Borrower and each Subsidiary has with

immaterial exceptions good and marketable title to their real properties (other than properties which it leases as lessee) and good and marketable title to all of their other properties and assets, including the properties and assets reflected in the most recent balance sheet described in Exhibit "1(d)" hereto,

and other than properties and assets disposed of in the ordinary course of business since the date thereof, free and clear of all Liens other than permitted under Section 2(j) below ("Permitted Liens"). "Lien" means any interest in property securing an obligation owed to, or a claim by, a Person (as defined in Exhibit "2(a)" hereto) other than the owner of the property, whether

such interest is based on the common law, statute or contract, and including but not limited to the security interest lien arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" shall include reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances (including, with respect to stock, stockholder agreements, voting trust agreements, buy-back agreements and all similar arrangements) affecting property. For the purposes of this Agreement, Borrower or a Subsidiary shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement, Capitalized Lease (as defined in Exhibit "2(a)" hereto) or other arrangement

pursuant to which title to the property has been retained by or vested in some other Person for security purposes and such retention or vesting shall constitute a Lien. The Borrower and each Subsidiary is in undisturbed possession under all leases necessary in any material respect for the operation of their business, and no such leases contain any unusual or burdensome provisions which are reasonably likely materially to affect or impair the Borrower's and Subsidiaries' businesses taken as a whole. All such leases are valid and in full force and effect.

(h) Employee Benefit Plans. To the best of the Borrower's

knowledge after diligent investigation, no "reportable event" or "prohibited

transaction," as defined by the Employee Retirement Income Security Act of 1974 ("ERISA") has occurred or is continuing, as to any plan of the Borrower or any of its affiliates which poses a threat of taxes or penalties against or termination of such plans (or trusts related thereto). Neither the Borrower nor any Subsidiary has violated in any material respect the requirements of any "qualified pension benefit plan," as defined by ERISA and the Internal Revenue Code of 1986, or done anything to create any material liability under the Multi-Employee Pension Plan Amendment Act. Neither the Borrower nor any of its Subsidiaries has incurred any material liability to the Pension Benefit Guaranty Corporation (the "PBGC") in connection with such plans, including, but not limited to, any "funding deficiency" (as defined by ERISA).

(i) Purpose of Loan. The Loan shall be used by Borrower to

support Borrower's capital improvement projects and provide for other business purposes. The proceeds of the Loan will not be used,

64

directly or indirectly, for the purpose of purchasing or carrying any margin stock or for any purpose which would violate either Regulation U, 12 C.F.R. Part 221, or Regulation X, 12 C.F.R. Part 224, promulgated by the Board of Governors of the Federal Reserve System.

(j) Compliance. To the best of the Borrower's knowledge after

diligent investigation, the Borrower and each Subsidiary are in compliance in all material respects with all laws, statutes, ordinances, rules, regulations and orders of any governmental entity (including, but not by way of limitation, any such laws, statutes, ordinances, rules, regulations and orders related to ecology, human health and the environment) applicable to them where such failure to comply would have a material adverse effect on the Borrower (or the Borrower's and the Subsidiaries' operations or financial condition taken as a whole) or the ability of the Borrower to perform its obligations hereunder.

(k) Adverse Contracts and Conditions. Neither the Borrower nor

any Subsidiary is a party to any contract or agreement, or subject to any charge, restriction, judgment, decree or order, materially and adversely affecting the business, property, assets, operations or condition, financial or otherwise, of the Borrower and the Subsidiaries taken as a whole nor a party to any labor dispute which is reasonably likely to have a material adverse effect on Borrower and the Subsidiaries taken as a whole. There are no restrictions applicable to any Subsidiary which might limit their ability to pay dividends or make loans to the Borrower.

(l) Taxes. Subject to the following sentence, the Borrower and

each Subsidiary has filed all federal, state and local tax returns and other reports which they are required by law to file, has paid all taxes, assessments and other similar charges that are due and payable, other than taxes, if any, being contested by the Borrower or a Subsidiary in good faith and as to which adequate reserves have been established in accordance with generally accepted accounting principles, and has withheld all employee and similar taxes which it is required by law to withhold. As to state and local taxes, assessments and similar charges, if there are any payments and/or filings due and not made involving such taxes, to the extent known, they are disclosed in Exhibit "l(1)"

attached hereto (and, whether or not so disclosed, such taxes are not, in the aggregate, in excess of \$500,000 and the non-payment or non-filing would not have a material adverse effect on the business or operations of Borrower, or the Borrower and the Subsidiaries taken as a whole). Federal income tax returns of the Borrower and each Subsidiary have been examined by the taxing authorities or closed by applicable statutes and filed for all fiscal years prior to and including the fiscal year ended December 31, 2000.

2. Borrower's Covenants. The Borrower agrees that, from the date

of this Agreement and until the Loan is paid in full and all its obligations under this Agreement are fully performed, and the commitments of the Bank to make or carry the Loan hereunder have terminated:

(a) Financial Covenants. The Borrower and its Subsidiaries shall,

through their consolidated financial statements, at all times maintain (i) a minimum Consolidated Fixed Charges Coverage Ratio (as defined in Exhibit "2(a)")

of not less than 1.25 to 1.00 and (ii) a maximum Consolidated Leverage Ratio (as defined in Exhibit "2(a)") of not more than 0.65. Such financial tests shall be

determined in accordance with generally accepted accounting principles consistently applied in accordance with past practice.

(b) Financial Statements; Periodic Reports. The Borrower shall

furnish to the Bank: (i) as soon as practicable and in any event within ninety (90) days after the last day of each fiscal year of the Borrower and each Subsidiary, a copy of the consolidated annual audit report of the Borrower and its Subsidiaries, prepared in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year, and consisting of a consolidated balance sheet as at the end of such fiscal year and consolidated statements of earnings, stockholders' equity and cash flows of the Borrower and its Subsidiaries for such fiscal year, setting forth in each case in comparative consolidated form corresponding consolidated figures from the preceding annual unqualified audit, certified by a nationally-recognized firm of independent certified public accountants, whose certificate shall be in scope and substance reasonably satisfactory to the Bank and shall include, without limitation, a certification that in auditing the Borrower and its Subsidiaries, such accountant has obtained no knowledge of an Event of Default hereunder, or if any Event of Default exists, specifying the nature and period of existence thereof; (ii) as soon as practicable and in any event within forty-five (45) days after the last day of each fiscal quarter of the Borrower and each Subsidiary, a copy of the Borrower's and its Subsidiaries' unaudited financial statements, prepared in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal quarter, and consisting of a consolidated balance sheet as at the end of such fiscal quarter and consolidated statements of earnings, stockholders' equity and cash flows of the Borrower and its Subsidiaries for the period from the

65

beginning of the then-current fiscal year through the end of such fiscal quarter, setting forth in each case in comparative form figures for the corresponding period in the preceding fiscal year, and certified by an Authorized Financial Officer of the Borrower, subject to changes resulting from year-end adjustments; (iii) promptly upon transmission thereof, copies of all such financial statements, and notices and reports as the Borrower shall send or deliver to its stockholders (and/or other owners of each Subsidiary), and copies of all such financial statements, notices or reports or other regulatory and periodic reports which the Borrower or each Subsidiary files with or provides (A) any other holder of Indebtedness and/or (B) any governmental body or agency (but, as to such governmental reports, only to the extent involving reports relative to matters which have or are reasonably likely to have a material adverse effect on the business, operations or financial condition of Borrower and the Subsidiaries taken as a whole). The "Authorized Financial Officer" of Borrower shall include its Chief Financial Officer, Vice President-Finance, Treasurer or Corporate Controller.

Together with each delivery of financial statements required under clauses (i) and (ii) above, the Borrower shall deliver a certificate of Borrower executed by an Authorized Financial Officer stating that, to the best of such Authorized Financial Officer's knowledge after diligent investigation, no Event of Default hereunder then exists, or if such an Event of Default hereunder does then exist, specifying the nature thereof, the period of existence thereof, and the action the Borrower proposes to take with respect thereto. The Borrower further agrees that promptly upon any Authorized Financial Officer of the Borrower obtaining knowledge of an event that constitutes an Event of Default hereunder, the Borrower shall deliver to the Bank a certificate specifying the nature thereof, the period of existence thereof, and the action the Borrower proposes to take with respect thereto. The Bank is authorized to deliver a copy of any financial statement or other communication or document delivered to it pursuant to this Section 2(b), if such delivery is required by any regulatory body having jurisdiction over Borrower or the Bank, to such regulatory body. The Borrower and each Subsidiary shall permit the Bank and their respective agents and representatives, at the expense of the Bank, to inspect its real and personal property and to verify accounts and inspect and make copies of or extracts from its books, records and files, and to discuss its affairs, finances and accounts with its principal officers, all at such reasonable times upon at least five (5) business days prior written request and as often as the Bank may reasonably request (but not more than three (3) times per year unless any Event of Default then exists).

(c) Insurance. Subject to Borrower's self-insurance programs, if

any, the Borrower shall, and shall cause each Subsidiary to, maintain with responsible carriers all risk coverage for the full replacement value of all of its real and personal property, and maintain with responsible carriers general public liability insurance coverage including business interruption and excess liability coverage, all in amounts comparable with other businesses similar to Borrower. The Borrower shall deliver to the Bank a certificate specifying the details of all such insurance, and all self-insurance in effect; and update and deliver same to the Bank upon request but no less frequently than annually. There shall be no material changes to Borrower's self insurance programs, if any, without prior written notice to the Bank.

(d) Taxes. Subject to the following sentence, the Borrower shall,

and shall cause each Subsidiary to, file all federal, state and local tax returns and other reports it is required by law to file, and shall pay when due

all taxes, assessments and other liabilities, except that the Borrower and any Subsidiary shall not be obligated to pay any taxes or assessments which it is contesting in good faith, provided that adequate reserves therefore are established in accordance with generally accepted accounting principles, that such contests will not materially adversely affect the operations or financial condition of the Borrower and the Subsidiaries taken as a whole, and that such taxes and assessments are promptly paid when the dispute is finally determined. As to state and local taxes, assessments and similar charges, Borrower shall not be in breach hereof as to any payments and/or filings due involving such taxes, which taxes are not, in the aggregate, in excess of \$500,000 and the non-payment or non-filing would not have a material adverse effect on the business or operations of Borrower, or Borrower and the Subsidiaries taken as a whole).

(e) Existence and Status. The Borrower shall, and shall cause

each Subsidiary to, maintain its existence in good standing under the laws of each jurisdiction described in Section 1(a) of this Agreement, provided that the Borrower or any Subsidiary may change its jurisdiction of incorporation or organization to any U.S. jurisdiction if it shall remain in good standing under the laws thereof. Borrower may liquidate any Subsidiary or cause any Subsidiary to be merged into Borrower or another Subsidiary.

(f) Maintenance of Property. The Borrower shall, and shall cause

each Subsidiary to, maintain, in all material respects and to the extent consistent with good business practices, all of its real and personal property in condition and repair consistent with Borrower's industry, not commit or permit any waste

66

thereof, and not, except in the ordinary course of business, remove or permit the removal of any improvement, accession or fixture therefrom that may in any way materially impair the value of said property.

(g) Compliance with Law. The Borrower shall, and shall cause each

Subsidiary to, comply at all times with all laws, statutes, ordinances, rules, regulations and orders of any governmental entity (including, but not by way of limitation, such laws, statutes, ordinances, rules, regulations and orders relating to ecology, human health and the environment) having jurisdiction over it or any part of its assets, where such failure to comply would have a material adverse effect on the Borrower (or Borrower's and the Subsidiaries' operations or financial condition taken as a whole) or the ability of the Borrower to perform its obligations hereunder. The Borrower and each Subsidiary shall obtain and maintain all permits, licenses, approvals and other similar documents required by any such laws, statutes, ordinances, rules, regulations or orders except where the failure to so obtain or maintain would not have a material adverse effect on the Borrower (or the business, operations or financial condition of Borrower and the Subsidiaries taken as a whole).

(h) Notice. The Borrower shall notify the Bank in writing,

promptly upon the Borrower's learning thereof, of: (i) any litigation, suit or administrative proceeding which may materially adversely affect the operations, financial condition or business of the Borrower, or the Borrower and the Subsidiaries taken as a whole, whether or not the claim is considered by the Borrower to be covered by insurance, unless the applicable insurer has expressly agreed to defend any such claim and cover fully the liability therefore; (ii) the occurrence of any material event described in Section 4043 of ERISA or any anticipated termination, partial termination or merger of a "Plan" (as defined in ERISA) or a transfer of the assets of a Plan; (iii) any labor dispute to which the Borrower or any Subsidiary may become a party and which is reasonably likely to have a material adverse effect on Borrower, or Borrower and the Subsidiaries taken as a whole; (iv) any default by the Borrower or any Subsidiary under any note, indenture, loan agreement, mortgage, lease or other similar agreement to which the Borrower or any Subsidiary is a party or by which the Borrower or any Subsidiary or its assets are bound which involves claims in excess of \$500,000 or which is reasonably likely to have a material adverse effect on Borrower (or Borrower and the Subsidiaries taken as a whole); and (v) any default by any obligor under any material note or other evidence of debt (other than an account receivable arising in the ordinary course of business) payable to the Borrower or any Subsidiary.

(i) Indebtedness. Without the prior written consent of Bank, the

Borrower shall not incur or permit to exist (or allow any Subsidiary to permit to exist) any Indebtedness, except (i) the borrowing under this Agreement; (ii) Indebtedness with an initial principal balance of \$35,000,000 owing to various insurance companies under Note Purchase Agreements dated as of February 24, 1997, as amended (the "Senior Notes" or the "Note Purchase Agreements"); (iii) Indebtedness related to revolving credit obligations up to maximum principal balance of \$50,000,000 owing to PNC Bank under a Loan Agreement initially dated September 20, 1996, as amended and including renewals at no more than the same level of indebtedness, (iv) unsecured trade credits or debt, or open accounts

incurred in the ordinary course of business or unsecured seller financing of the acquisition of assets or businesses consistent with Borrower's business; (v) operating leases aggregating a maximum of \$500,000 per month for normal business purposes; (vi) indebtedness related to purchase money security interests arising in the ordinary course of Borrower's business and limited as noted in Section 2(j) below; (vii) Indebtedness which constitutes a renewal, extension, substitution, refinancing, or replacement (collectively "Restructuring") of Indebtedness of the Borrower and its Subsidiaries, provided that the resulting Indebtedness from such Restructuring shall not exceed the outstanding principal amount of such restructured Indebtedness, unless the Borrower and its Subsidiaries would be specifically permitted hereunder to incur such excess amount of Indebtedness and still continue to satisfy all financial covenants herein, (viii) non-recourse Indebtedness of the Borrower and its Subsidiaries incurred in connection with (a) the financing of the distribution of fund shares that do not assess a front-end load or sales charge which Indebtedness expressly precludes the payment thereof from any properties or assets of the Borrower or its Subsidiaries other than 12b-1 fees, contingent deferred sales charges, and other substantially similar fees, charges, expenses or liabilities permitted under applicable law and the proceeds thereof, or (b) financing, acquisition, or purchase of trade finance receivables which Indebtedness expressly excludes the payment thereof of any properties or assets of the Borrower and its Subsidiaries other than such receivables and the proceeds thereof, and (ix) the Indebtedness noted in Exhibit "2(i)" hereto (all such Indebtedness sometimes collectively

called herein the "Permitted Indebtedness").

(j) Liens. Without the prior written consent of Bank, the

Borrower will not, and will not permit any Subsidiary to, create or incur, or suffer to be incurred or to exist, any Lien on its or their property or assets, whether now owned or hereafter acquired, or upon any income or profits therefrom, or transfer any property for the purpose of subjecting the same to the payment of obligations in priority to the payment of its or

67

their general creditors, or acquire or agree to acquire, or permit any Subsidiary to acquire, any property or assets upon conditional sales agreements or other title retention devices, except as follows (collectively the "Permitted Liens"):

(i) Liens for property taxes and assessments or governmental charges or levies and Liens securing claims or demands of carriers, warehousemen, landlords, mechanics and materialmen, provided payment thereof is not at the time required by Section 2(d) hereof;

(ii) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which the Borrower or a Subsidiary shall at any time in good faith be pursuing an appeal or proceeding for a review and in respect to which a stay of execution pending such appeal or proceeding for review shall have been secured;

(iii) Liens incidental to the conduct of business or the ownership of properties and assets (including Liens in connection with worker's compensation, unemployment insurance and other like laws, warehousemen's and attorneys' liens and statutory landlords' liens) and Liens to secure the performance of bids, tenders or trade contracts, or to secure statutory obligations, surety or appeal bonds or other Liens of like general nature incurred in the ordinary course of business and not in connection with the borrowing of money provided in each case, the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate actions or proceedings;

(iv) Minor survey exceptions or minor encumbrances, easements or reservations, or rights of others for rights-of-way, utilities and other similar purposes, or zoning or other restrictions as to the use of real properties, which are necessary for the conduct of the activities of the Borrower and its Subsidiaries or which customarily exist on properties of corporations engaged in similar activities and similarly situated and which do not in any event materially impair their use in the operation of the business of Borrower and its Subsidiaries;

(v) Liens securing Indebtedness of a Subsidiary to the Borrower or to another Subsidiary; (vi) Liens existing as of the date hereof and securing Indebtedness of SEI Financial Services Company ("SFS") under a Nonrecourse Note in the aggregate amount of \$500,000 (Five Hundred Thousand Dollars) pursuant to the terms of a certain Nonrecourse Revolving Loan Agreement, dated as of April 28, 1995, by and between SFS and Crestar Bank, N.A., with respect to the financing of payments that SFS is required to pay

to Crestar Securities Corporation in connection with the sale of the Class B shares of CrestFunds, Inc. (such Indebtedness being nonrecourse to SFS and is secured by Rule 12b-1 fees and contingent deferred sales charges to be paid to SFS by CrestFunds, Inc.);

(vii) Liens incurred after the date of the Closing given to secure Capitalized Leases or the payment of the purchase price incurred in connection with the acquisition of fixed assets useful and intended to be used in carrying on the business of the Borrower or a Subsidiary, including Liens on such fixed assets at the time of acquisition thereof or at the time of acquisition by the Borrower or a Subsidiary of any business entity the owning such fixed assets, whether or not such existing Liens were given to secure the payment of the purchase price of the fixed assets to which they attach so long as they were not incurred, extended or renewed in contemplation of such acquisition, provided, that (i) the Lien shall attach solely to the fixed assets acquired or purchased, (ii) at the time of acquisition of such fixed assets, the aggregate amount remaining unpaid on all Indebtedness secured by Liens on such fixed assets whether or not assumed by the Borrower or a Subsidiary shall not exceed an amount equal to 100% of the lesser of the total purchase price or fair market value at the time of acquisition of such fixed assets (as determined in good faith by the chief financial officer of the Borrower), and (iii) all such Indebtedness shall have been incurred within the applicable limitations provided in Sections 2(a) and 2(i) hereof;

68

(viii) Liens renewing, extending or refunding any Lien permitted by subsections (f) or (g) of this Section 2(j), provided that (i) at the time of such extension, renewal or refunding and after giving effect thereto, no Event of Default exists, (ii) the principal amount of Indebtedness secured by such Lien immediately prior to such extension, renewal or refunding is not increased or the maturity thereof reduced, and (iii) such Lien is not extended to any other property of the Borrower and any Subsidiary;

(ix) Other Liens not otherwise permitted by subsections (i) through (viii) above, provided that the Indebtedness secured thereby is permitted pursuant to Sections 2(a) and 2(l) hereof, as the case may be; and

(x) Liens on Rule 12b-1 Fees, contingent deferred sales charges, other substantially similar fees, charges, expenses or liabilities permitted under applicable law, and trade finance receivables and the proceeds thereof, provided that the Indebtedness secured thereby is permitted pursuant to Sections 2(a) and 2(i).

Provided, however, that aggregate Indebtedness of the Borrower and Subsidiaries subject to Permitted Liens hereunder shall never exceed twenty percent (20%) of Consolidated Net Worth (as defined in Exhibit "2(a)" hereto). For purposes of

this Section 2(j), any Person becoming a Subsidiary after the date of this Agreement shall be deemed to have incurred all of its then outstanding Liens at the time it becomes a Subsidiary, and any Person extending, renewing or refunding any Indebtedness secured by any Lien permitted pursuant to subsection (i) shall be deemed to have incurred such Lien at the time of such extension, renewal or refunding.

(k) Restrictions on Transactions With Affiliates. Except as

otherwise expressly permitted under this Agreement, the Borrower shall not, and shall not permit any Subsidiary to, enter into or be a party to any transaction with the Borrower, the Subsidiaries or other affiliates, except in the ordinary course of business, pursuant to the reasonable requirements of that entities' business, and upon fair and reasonable terms which are fully disclosed to the Bank and could be obtained in a reasonably comparable arm's length transaction with an unrelated third party (including, without limitation, the continuance of or establishment of transactions specified in Exhibit "2(i)" hereto or as

otherwise previously approved in writing by the Bank). Provided, however, (i) that such limitation shall not apply to or affect the power of Borrower to acquire, accept and repay unsecured loans and advances from the owner or a subsidiary or the Borrower or limit reasonable management fees or dividends which might be payable by Borrower to its owner or from a Subsidiary to Borrower or another affiliate (assuming such repayment, fees or dividends can be made without breach of the financial covenants or other provisions of this Agreement),

(l) Consolidations, Mergers and Sales of Assets. The Borrower

will not, nor will it permit any Subsidiary to, consolidate or merge with or into, or sell, lease or otherwise transfer all or any substantial part of its assets to, any other organization or entity, or discontinue or eliminate any business line or segment, provided that (a) the Borrower or a Subsidiary may

merge with another organization or entity if (i) the Borrower or such Subsidiary is the corporation surviving such merger and such survivor is an organization or entity organized under the laws of the United States of America or one of its States (unless such survivor is a Subsidiary which is already an existing foreign organization), and (ii) immediately after giving effect to such merger, no Event of Default shall have occurred and be continuing, (b) Subsidiaries of the Borrower may merge with one another, and (c) the foregoing limitation on the sale, lease or other transfer of assets and on the discontinuation or elimination of a business line or segment shall not prohibit, at any time, a transfer of assets or the discontinuance or elimination of a business line or segment (in a single transaction or in a series of related transactions) unless

the aggregate assets to be so transferred or utilized in a business line or segment to be so discontinued, when combined with all other assets transferred, and all other assets utilized in all other business lines or segments discontinued, after the effective date of the transaction constitutes more than fifteen percent (15%) of Consolidated Total Assets as set forth or reflected on the most recent consolidated balance sheet of the Borrower and its Subsidiaries, prepared in accordance with GAAP.

(m) Investments. The Borrower will not, and will not permit any

Subsidiary to, make any Investments, other than:

(i) Investments existing as of the date of the Closing and reflected on Exhibit "2(m)" hereof;

69

(ii) Investments by the Borrower and its Subsidiaries in and to other Subsidiaries, including any Investment in a corporation which, after giving effect to such Investment, will become a Subsidiary;

(iii) Investments in commercial paper maturing in 270 days or less from the date of acquisition which, at the time of acquisition by the Borrower or any Subsidiary, is accorded the highest rating by S&P, Moody's or other nationally recognized credit rating agency of similar standing;

(iv) Investments in direct obligations of the United States of America or any agency or instrumentality of the United States of America, the payment or guarantee of which constitutes a full faith and credit obligation of the United States of America, in either case, maturing in twelve (12) months or less from the date of acquisition thereof; (v) Investments in certificates of deposit maturing within one year from the date of acquisition thereof, issued by any bank or trust company (A) which is organized under the laws of the United States of America or any State thereof, and (B) which has capital, surplus and undivided profits aggregating at least \$250,000,000;

(vi) Investments in property to be used in the ordinary course of business of the Borrower and its Subsidiaries, including assets designated as loans receivable available for sale in accordance with GAAP;

(vii) Investments in new mutual funds or other pooled investment vehicles sponsored, managed or administered by the Borrower or any Subsidiary, provided that the amount of any Investment in any new mutual fund or other pooled investment vehicle administered (but not sponsored or managed) by the Borrower or any Subsidiary shall not exceed the less of (A) \$500,000, or (B) the minimum amount of such Investment required by applicable law;

(viii) Investments in the Borrower's common stock related to a disclosed stock repurchase or buy-back plan;

(ix) Investments in Repurchase Agreements with a term of not more than 365 days; and

(x) Any other Investments, provided that immediately after giving effect thereto the aggregate outstanding value of all such other Investments (valued immediately after giving effect thereto) would not exceed the greater of (A) \$12,000,000 or (B)

10% of Consolidated Net Worth, both determined as of the date of such additional other Investment is made.

In valuing any Investments for the purpose of applying the limitations set forth in this Section 2(m), such Investments shall be taken at the original cost thereof, without allowance for any subsequent write-offs or application or depreciation therein, but less any amount repaid or recovered on account of capital or principal. For purposes of this Section 2(m), at any time when a corporation becomes a Subsidiary, all Investments of such corporation at such time shall be deemed to have been made by such corporation, as a Subsidiary, at such time.

(n) Ownership. The Borrower shall retain sufficient shares of

each of the Subsidiaries to retain their status as such Subsidiaries.

(o) Ability to Conduct Business. The Borrower and the

Subsidiaries shall maintain adequate management, employees, assets, governmental approvals, permits and licenses and/or, if applicable, patents, patent applications, copyrights, trademarks, trademark applications and trade names, to conduct their businesses as now or hereafter conducted by them.

(p) Sufficient Capital. At all times prior to, during and after

any disbursement of the Loans, Borrower shall have capital sufficient to carry on its business and transactions as now conducted and all businesses and transactions in which it is about to engage and will be solvent and able to pay its debts as they mature, and Borrower will own property having a value, both at fair valuation and at present fair saleable value, greater than the amount required to pay its debts.

70

(q) Books and Records. The Borrower shall, and shall cause each

Subsidiary to, keep and maintain complete books of accounts, records and files with respect to its business in accordance with generally accepted accounting principles consistently applied in accordance with past practices and shall accurately and completely record all transactions therein.

(r) Waiver. Any variance from the covenants of the Borrower

pursuant to this Section 2 shall be permitted only with the prior written consent and/or waiver of the Bank (as specified in Section 6(i) below). Any such variance by consent and/or waiver shall relate solely to the variance addressed in such consent and/or waiver, and shall not operate as the Bank's consent and/or waiver to any other variance of the same covenant or other covenants, nor shall it preclude the exercise by the Bank of any power or right under this Agreement, other than with respect to such variance.

3. Closing Conditions. The obligation of the Bank to make the

Loan or any portion thereof, is subject to the satisfaction of each of the following conditions precedent:

(a) Default. Before and after giving effect to the Loan, or any

portion thereof, no Event of Default (as defined in Section 5 of this Agreement) or any event which, with the passage of time or the giving of notice, might mature into an Event of Default, shall have occurred and be continuing.

(b) Warranties. Before and after giving effect to the Loan or any

portion thereof, the representations and warranties in Section 1 hereof shall be true and correct in all material respects as though made on the date of such Loan or portion thereof or any Letter of Credit request.

(c) Certification. As of the date of this Agreement, the Borrower

shall have delivered to the Bank, a certificate of the Borrower executed by an Authorized Financial Officer of the Borrower: (i) as to the matters set forth in Sections 3(a) and 3(b) above; (ii) to the effect that the resolutions described in Section 3(d) below have not been amended or rescinded and remain in full force and effect; (iii) as to the incumbency of the individuals authorized to sign this Agreement and the other Loan Documents (with specimen signatures attached); and (iv) to the effect that the Articles or Certificates of Incorporation and By-laws of the Borrower are in full force and effect in the form delivered to the Bank.

(d) Resolutions. As of the date of this Agreement, the Borrower

shall have delivered to the Bank a copy of the resolutions of the Borrower's Board of Directors authorizing the borrowings hereunder and the execution and delivery of this Agreement and the other Loan Documents.

(e) Insurance. As of the date of this Agreement, the Borrower

shall have delivered to the Bank, updated insurance information required by Section 2(c).

(f) Certificate and By-laws. As of the date of this Agreement,

the Borrower shall have delivered to the Bank true and correct copies of its current Articles or Certificate of Incorporation and By-laws and a certificate of good standing from the Commonwealth of Pennsylvania.

(g) Loan Documents; Notes. As of the date of this Agreement, the

Borrower shall have delivered the Notes and other Loan Documents to the Bank, with all blanks appropriately completed and duly executed on behalf of the Borrower.

(h) Waiver. As of or prior to the date of this Agreement,

Borrower shall have delivered to Bank a waiver in form reasonably satisfactory to Bank from the holders of the Senior Notes allowing the Loan, and other matters related thereto.

(i) Legal Opinions. As of the date of this Agreement, the

Borrower shall have delivered to the Bank the legal opinion of counsel reasonably acceptable to Bank, dated the date of this Agreement, to the effect that: (i) the Borrower is duly incorporated, validly existing and in good standing as a corporation under the laws of the Commonwealth of Pennsylvania; (ii) the Borrower has full corporate power and authority to execute and deliver this Agreement and the other Loan Documents and to perform its obligations thereunder; (iii) the execution and delivery by the Borrower of this Agreement and the other Loan Documents, and the performance by the Borrower of its obligations thereunder, have been duly authorized by all necessary corporate action, and are not in conflict with any provision of law or of the Articles or Certificate of

71

Incorporation or By-laws of the Borrower, nor in conflict with any agreement, order or decree binding upon the Borrower of which such counsel has knowledge; and (iv) this Agreement and the other Loan Documents are the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws now or hereafter in effect, or by legal or equitable principles relating to or limiting creditors' rights generally, or other rules of law or equity limiting the availability of specific performance or injunctive relief and principles of public policy.

4. Loan. ----

(a) Term Loan. Subject to the terms and conditions of this Agreement,

the Bank agrees to lend to the Borrower, as of the date hereof, Twenty-Five Million Dollars (U.S. \$25,000,000). Such loan shall be referred to herein as the "Term Loan." The Term Loan shall be evidenced by a term note given by the Borrower to the Bank, in the form of Exhibit "4(a)" attached hereto and made a

part hereof (the "Term Note"). The Bank's records of the principal balance of the Term Loan and all prepayments thereon shall be presumptive evidence of the principal amount owing to the Bank and unpaid thereon. No prepayment of the Term Loan by Borrower shall create any obligation on the part of the Bank to relend such repaid or prepaid amounts to Borrower. The Term Loan shall mature on June 30, 2006 and be repayable to the Bank in seventeen (17) equal consecutive uninterrupted quarterly installments of principal equal to \$1,388,889, each due on the last day of each calendar quarter, commencing December 31, 2001, with a final installment of the remaining balance and any accrued interest and fees due on March 31, 2006.

(b) Interest. Except as noted below, the outstanding principal

balance of the Term Loan shall bear interest at a rate per annum equal to, at the option of Borrower (i) upon notice to Bank, the Prime Rate (as hereinafter defined and called the "Prime Based Option"), or (ii) upon a minimum of two (2) New York banking days prior notice, the LIBOR Rate (as hereinafter defined), plus one and thirty-five hundredths of one percent (1.35%) (hereinafter the

"LIBOR Based Option"). If, for any reason in the good faith opinion of Bank, a LIBOR Rate cannot be determined, interest on the Term Loan shall be at the Prime Based Option.

The "Prime Rate" shall mean that rate announced as such by the Bank from time-to-time and as and when such rate changes. The Prime Rate is determined solely by the Bank pursuant to market factors and its own operating needs and is not necessarily the Bank's best or most favorable rate for

corporate, commercial or other loans. The "LIBOR Rate" shall mean the rate for loans with an original maturity of one (1), two (2), three (3) or six (6) months, as applicable to match the pricing period chosen by Borrower in the manner provided herein, as quoted by the Bank from Telerate Page 3759 or any replacement therefore or successor thereto (which shall be the LIBOR rate in effect two (2) New York banking days prior to commencement of the LIBOR Based Option pricing), or, if unavailable, any other consensus LIBOR Rate reasonably determined by the Bank (and, if none, the provisions of Section 4(e)(iii) and/or 4(3)(iv) shall apply). For determining payment dates for LIBOR Rate Loans, the New York banking day shall be the standard convention.

Interest on the Revolving Credit Loan shall be payable to the Bank in arrears, monthly commencing July 30, 2001, for Term Loan portions priced at the Prime Rate Option, or as of the end of each LIBOR Based Option pricing period, but not later than every ninety (90) days for LIBOR Based Options greater than three months, as the case may be, and (in any case) when the Term Loan is due or repaid (whether by reason of prepayment, acceleration or otherwise). Interest on the Loan shall be computed on the basis of a year consisting of three hundred sixty (360) days but applied to the actual number of days elapsed. After maturity, whether by acceleration or otherwise, or upon the occurrence of any Event of Default hereunder, the Term Loan shall bear interest (computed and adjusted in the same manner, and with the same effect, as interest on the Term Loan prior to maturity) payable on demand at a rate equal to the Prime Rate in effect from time to time plus three percent (3%) per annum, in all cases until paid and whether before or after the entry of any judgment thereon (the "Default Rate"). Such Default Rate shall not apply to non-payment Events of Default cured to the sole satisfaction of the Bank within the period specified for same in Section 5 below.

(c) Making and Pricings of Term Loan. The full Term Loan proceeds

must be drawn by Borrower in no more than two (2) installments, prior to the close of business on December 31, 2001. The Loan shall be credited to an account maintained by Borrower at the Bank. The initial disbursement of the Loan drawn by Borrower shall be priced as provided below. Borrower shall notify the Bank by 11:00 a.m. (such time, and any time hereinafter noted, being Cincinnati, Ohio, time) two (2) business days prior to the day on which it desires to price a portion of the Term Loan hereunder priced under the LIBOR Based Option, and by 11:00 a.m.

72

of the day it wishes to price such a portion at the Prime Based Option. Any notice received by Bank after 11:00 a.m. shall be deemed to have been given at 11:00 a.m. on the next succeeding business day. Such notice may be given by telephone but shall be promptly followed by written facsimile or e-mail confirmation from Borrower signed by an Authorized Financial Officer of Borrower to the Bank in the form of Exhibit "4(c)" hereto. Such notice shall specify the

amount of such Term Loan subject to the LIBOR Based Option pricing period (1, 2, 3 or 6 months). No LIBOR Based Option pricing period shall extend beyond April 30, 2006. Borrower shall choose a new pricing option and period, whether at the Prime Based Option or the LIBOR Based Option, for any portion of the Term Loan at the end of any chosen LIBOR pricing period. If, upon termination of any LIBOR Based Option pricing period, Borrower does not give at least two (2) business days prior notice to Bank as to how same is to be renewed, Bank may at any time after such termination convert same to Prime Based Option pricing (but until such conversion, the applicable LIBOR Based Option rate on the expired pricing period shall continue to apply). Each request for pricing of a portion of the Term Loan to Bank hereunder shall be deemed a certification by Borrower that all its representations and warranties under this Agreement (except for representations and warranties made only as of a particular date) remain true and correct in all material respects and that no Event of Default has occurred hereunder. The Bank shall determine the applicable rate for the LIBOR Based Option and pricing period chosen as of 11:00 a.m. the next succeeding business day after notice from Borrower hereunder. The Borrower agrees that (A) each portion of the Term Loan priced at the LIBOR Based Option shall be in a minimum amount of at least Five Million Dollars (\$5,000,000) plus any whole multiple of One Million Dollars (\$1,000,000) in excess thereof, and (B) there shall be

outstanding at any one time no more than seven (7) portions of the Term Loan so priced at the LIBOR Based Option.

(d) Facility Fee. The Borrower shall pay the Bank a facility fee

equal to Sixty-Two Thousand Five Hundred Dollars (\$62,500) which fee shall be payable as of the date hereof.

(e) Changes in Laws and Circumstances; Illegality; Taxes.

(i) Increased Cost. Except as to taxes, levies, imposts,

deductions, charges or withholdings, if either (i) any changes
(other than any change by way of imposition or increase of

reserve requirements included in the LIBOR Rate) in or in the interpretation of any law or regulation or (ii) the compliance by Bank with any guideline or request from any central bank or other governmental authority, in any case introduced, changed, interpreted or requested after the date hereof (whether or not having the force of law), shall either (x) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets held by, or deposits in or for the account of, Bank or (y) impose on Bank or any entity controlling Bank any other condition relating to this Agreement or Bank or such entity or the LIBOR Based Option loans made by Bank, and the result of any event referred to in clause (i) or (ii) shall be to increase the cost to Bank or any entity controlling Bank of agreeing to make or making, funding or maintaining LIBOR Based Option loans, then the Borrower shall from time to time, upon demand by Bank, pay to the Bank for the account of Bank such additional amounts as may be required to compensate Bank or such entity for such increased cost; provided, however, that (A) Bank shall use its

best efforts to notify the Borrower as to the existence of any change of circumstance described above in this subsection (a) as promptly as practical after Bank gains knowledge thereof and is able to determine that such change will result in increased costs hereunder, but the failure to give such notice shall not (subject to clause (B) below) affect the right of Bank to any payment to which it would otherwise be entitled hereunder and (B) the Borrower shall not be obligated to compensate Bank for any costs incurred for any period after the Bank gains knowledge of the change of circumstance and is able to determine that such change will result in increased costs and prior to the date that is sixty (60) days before the date upon which notice of such change is first given to Borrower as required by clause (A) above. Bank shall submit to Borrower a certificate as to the amount of such increased cost, the basis for such increase and the manner of computation thereof, at least thirty (30) days prior to the date that the Bank seeks payment for such increased costs by the Borrower.

(ii) Unavailability or Inadequacy of LIBOR Rates. If, with respect to any proposed LIBOR Rate Option pricing, (i) the Bank determines that, for any reason, (i) appropriate quotations are not available to it under the Telerate reporting service for purposes of determining the LIBOR Rate, or (ii) the LIBOR Rate for the pricing period proposed to be applicable to such loans will not adequately reflect the cost to the Bank of

73

making, funding or maintaining such LIBOR Based Option loans for such period, the Bank shall forthwith so notify the Borrower, whereupon (x) each LIBOR Based Option loan proposed to be continued will automatically, on the last day of the then existing pricing period therefore, convert into a Prime Based Option loan and (y) the obligation of the Bank to make LIBOR Based Option loans shall be suspended until the Bank shall notify the Borrower that, in the case of clause the Bank has, and, in the case of clause (ii), determined that the circumstances causing such suspension no longer exist.

(iii) Illegality. Notwithstanding any other provision of this Agreement, if the introduction of or any change in or in the interpretation of any law or regulation shall make it unlawful, or any central bank or other governmental authority shall assert that it is unlawful, for any Bank to perform its obligations hereunder to make LIBOR Based Option loans or to continue to fund or maintain LIBOR Based Option loans hereunder, then, on notice thereof and demand therefore by Bank to the Borrower, (i) each LIBOR Based Option loan will automatically, upon such demand, convert into a Prime Based loan and (ii) the obligation of the Bank to make LIBOR Based Option loans shall be suspended until the Bank shall notify the Borrower that Bank has determined that the circumstances causing such suspension no longer exist.

(iv) Taxes. Any and all payments by the Borrower hereunder shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, (i) in the case of Bank, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which Bank is organized or any political subdivision or taxing authority thereof or therein, (ii) in the case of Bank,

taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction of Bank's principal office or any political subdivision or taxing authority thereof or therein and (iii) in the case of Bank, United States withholding tax payable with respect to payments hereunder under laws (including, without limitation, any statutes, treaty, ruling, determination or regulation) in effect on the date hereof, but not excluding any

United States withholding tax payable as a result of any change in such laws occurring after the execution date of the Agreement (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to Bank, (x) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Bank receives an amount equal to the sum it would have received had no such deductions been made, (y) the Borrower shall make such deductions and (z) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. Notwithstanding the foregoing, the Borrower shall have no obligation to pay any amount to or for the account of the Bank on account of any Taxes pursuant to this Section to the extent such amount results from the failure of the Bank to deliver to the Borrower and the Bank, on or before the date payment is due by the Borrower to the Bank, two (2) duly completed copies of United States Internal Revenue Service Form 1001 or 4224, or any successor applicable form, as the case may be, certifying that the Bank is entitled to receive such payments without deduction or withholding of United States Federal income taxes, if either such form or successor form would be applicable.

(v) Other Taxes. In addition to making all payments to be

made hereunder free and clear of Taxes, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (which shall not, in any event, include any transfer or other Taxes that arise or are incurred or imposed solely as a result of transfer or assignment by a Bank of all or any portion of its loans) that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement (hereinafter referred to as "Other Taxes").

(vi) Indemnity. The Borrower will indemnify, within sixty

(60) days from the date the Bank makes written demand therefore, the Bank and its directors and

74

officers for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section) paid by the Bank and any liability (including penalties, additions to tax, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally assessed, providing that the Bank will cooperate with the Borrower in contesting the imposition of any Taxes or Other Taxes or obtaining a refund thereof.

(vii) Survival of Covenant. Without prejudice to the

survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section shall survive the payment in full of principal and interest hereunder.

(f) Prepayments. Loan portions priced at rates based on the Prime

Based Option may be prepaid at any time without limitation other than interest accrued to date of such prepayment and as noted below. Other priced portions of the Loan may only be repaid without charge at the expiration of the applicable LIBOR Rate pricing period. If a portion of the Loan priced at the LIBOR Based Option is prepaid by the Borrower, whether as a result of acceleration upon default or otherwise, the Borrower agrees to pay all of the Bank's costs, expenses plus the Interest Differential (as determined by the Bank) incurred as

a result of such prepayment. The term "Interest Differential" shall mean that sum equal to the greater of zero (0) or the financial loss incurred by the Bank

resulting from prepayment, calculated as the difference between the amount of interest the Bank would have earned (from like investments in the Money Markets

as of the first day of the LIBOR Rate Loan) had prepayment not occurred and the interest the Bank will actually earn (from like investments in the Money Markets as of the date of prepayment) as a result of redeployment of funds from the prepayment. Because of the short-term nature of LIBOR Based Option loan periods, the Borrower agrees that the Interest Differential shall not be discounted to its present value. The term "Money Markets" refers to one or more wholesale funding markets available to the Bank, including negotiable certificates of deposit, commercial paper, eurodollar deposits, bank notes, federal funds and others. Any prepayment of a LIBOR Rate Loan shall be in a minimum amount of U.S. five million dollars (\$5,000,000.00) and in whole multiples of one million dollars (\$1,000,000.00) thereafter. Any portion of the Loan priced at rates based on the Prime Based Option may, at the option of the Borrower, be permanently prepaid (but only in the minimum amount of U.S.\$1,000,000 and multiples of \$250,000 in excess thereof, at any time by the Borrower giving the Bank written notice thereof and paying to the Bank any amount so necessary plus interest accrued to the date of such prepayment. The Borrower may also reduce the undrawn installment commitments under the Loan at any time without penalty, provided that each such commitment reduction must be in an amount equal to at least U.S. two million dollars (\$2,000,000.00) and in a whole multiple of U.S. five hundred thousand dollars (\$500,000.00), and all commitment reductions shall be permanent.

(g) Payments. All payments of principal and interest hereunder

shall be made in immediately available funds to the Bank at 425 Walnut Street, Cincinnati, Ohio 45202, or at such other place as may be designated by the Bank to the Borrower in writing. Upon request and payment by the Borrower of a reasonable fee which compensates the Bank for the cost of issuing the same, the Bank shall provide the Borrower with a statement showing all payments and prepayments on the Loan.

(h) Evidence of Negative Pledge. If the holder of any Permitted

Indebtedness or any other party with a negative pledge from Borrower (similar to that granted to Bank under Section 2(j) above) makes filings to evidence or perfect same or Borrower grants to any such holder or party a right for such holder to evidence such negative pledge obligations, the same rights shall be granted to the Bank and Borrower agrees to execute any documentation reasonably requested by the Bank to evidence, perfect and file its negative pledge on all relevant UCC and mortgage records.

5. Events of Default. If any of the following events (each, an

"Event of Default") shall occur, then the Bank, without further notice or demand, accelerate the Loan and thereupon the Loan shall become immediately due and payable (except that the Loan shall become automatically due and payable, as the case may be, upon the occurrence of an event described in Sections 5(i), (j), (k) and (n) below), and, to the extent the total \$25,000,000 available

hereunder as a Term Loan has not yet been disbursed by the Bank or fully drawn on by Borrower, terminate the balance of same:

75

(a) Borrower does not pay or repay the Bank any principal of, or interest due on, the Loan or any other payment obligation hereunder within ten (10) business days of when due, whether by reason of demand, acceleration or otherwise, or;

(b) Borrower defaults in the performance or observance of any agreement contained in Section 2(b), 2(c), 2(d), 2(e), 2(f), 2(g), 2(h) or 2(o) hereof and such default has not been cured by the Borrower to the reasonable satisfaction of Bank within ten (10) business days after written notice thereof from Bank, or Borrower defaults in the performance or observance of any other agreement contained in Section 2 hereof; or

(c) There shall have occurred any other violation or breach of any covenant, agreement or condition contained herein or in any other Loan Document which has not been cured by Borrower within ten (10) business days after the earlier to occur of the date Borrower has knowledge thereof or the date the Bank gives the Borrower notice thereof; or

(d) Borrower, or such of its Subsidiaries as are material to its business or financial condition as a whole, do not pay when due or prior to the expiration of the applicable cure period, if any, any principal or interest on any other Indebtedness consisting of borrowed money indebtedness, note purchase indebtedness and/or capitalized lease indebtedness in excess of Five Hundred Thousand Dollars (\$500,000), either individually or in the aggregate at one time outstanding, or Borrower and/or such Subsidiaries default in the performance or observance of any other term or condition contained in any agreement or instrument under which such Indebtedness is created (including, without limitation, the Note Purchase Agreements) and the holder of such other Indebtedness declares, or may declare, such Indebtedness due prior to its stated maturity because of the Borrower's and/or such Subsidiaries' default thereunder; or

(e) The Borrower (or such of its Subsidiaries as are material to its business or financial condition as a whole) do not perform their obligations under any agreement material to the business of the Borrower (or of Borrower and such Subsidiaries taken as a whole), the other party to such agreement declares, or may declare, such agreement in default, and such default creates a reasonable likelihood of material adverse effect on the business, operations or financial condition of Borrower (or Borrower and its Subsidiaries taken as a whole); or

(f) Any representation or warranty made herein or in any other Loan Document or writing furnished in connection with this Agreement shall be false or misleading in any material respect when made; or

(g) Borrower (or Borrower and/or such of its Subsidiaries as are material to its business or financial condition as a whole) are generally not paying their debts as they become due; or

(h) With respect to the plans referred to in Section 1(h) above, or any other similar plan, a "reportable event" or "prohibited transaction" pursuant to ERISA has occurred which results in the (A) imposition of material taxes or penalties against Borrower, or (B) the termination of such plans (or trusts related thereto) resulting in a material adverse effect on Borrower (or Borrower and its Subsidiaries, taken as a whole); or (C) Borrower and/or such of its Subsidiaries as are material to its business or financial condition as a whole incurs any material liability to the PBGC in connection with such plans; or

(i) Borrower (or Borrower and such of the Subsidiaries as are material to its business or financial condition as a whole) makes an assignment of any significant part of their assets for the benefit of creditors; or

(j) Borrower (or Borrower and/or such of the Subsidiaries as are material to its business or financial condition as a whole) applies for the appointment of a trustee or receiver for any part of its assets or commences any proceedings relating to Borrower and/or such Subsidiaries under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or other liquidation law of any jurisdiction; or any such application is filed, or any such proceedings are commenced against the Borrower and/or such Subsidiaries, and Borrower and/or such Subsidiaries indicate their approval, consent or acquiescence thereto; or an order is entered appointing such trustee or receiver, or adjudicating Borrower bankrupt or insolvent, or approving the petition in any such proceedings, and such order remains in effect for sixty (60) days; or

76

(k) Any order is entered in any proceedings against the Borrower (and/or Borrower and/or such of its Subsidiaries as are material to its business or financial condition as a whole) decreeing the dissolution of Borrower and/or such Subsidiaries; or

(l) Any material part of Borrower's and/or its Subsidiaries' operations shall cease, other than temporary or seasonal cessations which are experienced by other companies in the same line of business and which would not have a material adverse effect on Borrower (or Borrower's and its Subsidiaries' operations or financial condition taken as a whole) or their ability to perform their obligations hereunder; or

(m) Any party becomes the owner of more than thirty percent (30%) of Borrower's outstanding shares, excluding the Borrower and its Subsidiaries, any employee benefit plan of the Borrower or its Subsidiaries, any person appointed or entity organized or established by the Borrower for or pursuant to any such employee benefit plan, and Alfred P. West, Jr. or his spouse, and/or a member of his immediate family or, without prior notice to and written approval by the Bank (which approval shall not be unreasonably withheld), there is a material change in the members of Borrower's Board of Directors or Borrower's management.

(n) Any final non-appealable judgment which, together with other outstanding judgments against Borrower or such number of Subsidiaries as would have a material adverse effect on Borrower (or Borrower and its Subsidiaries taken as a whole), causes the aggregate of such judgments in excess of confirmed insurance coverage satisfactory to the Bank to exceed one million dollars (\$1,000,000.00), shall be rendered against Borrower or such Subsidiaries and remain unpaid for thirty (30) days (exclusive of judgments which, in the sole opinion of the Bank and counsel are not enforceable against assets of Borrower), or

(o) There is, in the reasonable judgment of the Bank, a material adverse change in the business operations, assets or financial condition of Borrower, or of Borrower and the Subsidiaries taken as a whole.

To the extent any cure-of-default period is provided above, the Bank may nevertheless, at their option pending completion of such cure, suspend their obligation to consider further disbursement of the Term Loan.

6. General.

(a) Reasonable Actions. The Bank and Borrower agree that in

taking any action which they are permitted or empowered to take under this Agreement, they will act in a commercially reasonable manner under what they believe are the facts and circumstances existing at such time. If the Bank declines to permit exceptions to Permitted Indebtedness or Permitted Liens under Sections 2(i) and 2(j) hereof, it shall immediately provide Borrower with details in writing as to the reasons for such refusal.

(b) Delay. No delay, omission or forbearance on the part of the

Bank in the exercise of any power or right shall operate as a waiver thereof, nor shall any single or partial delay, omission or forbearance in the exercise of any other power or right. The rights and/or remedies of the Bank herein provided are cumulative, shall be interpreted in all respects in favor of the Bank, and are not exclusive of any other rights and/or remedies provided by law.

(c) Notice. Except as otherwise expressly provided in this

Agreement, any notice hereunder shall be in writing and shall be deemed to be given when personally delivered or when sent by certified mail, postage prepaid, and addressed to the parties at their addresses set forth below:

Firststar: Firststar Bank, N.A.
 Firststar Tower
 425 Walnut Street, Location CN-WN-08
 Cincinnati, Ohio 45202
 Attention: Richard W. Neltner
 Senior Vice President
 Telephone: (513) 632-7073
 Fax: (513) 632-2068

With a copy to: Melvin S. Shotten, Esq.

77

Taft, Stettinius & Hollister LLP
1800 Firststar Tower
425 Walnut Street
Cincinnati, Ohio 45202
Telephone: (513) 357-9311
Fax: (513) 381-0205

78

Borrower and SEI Investments Company
Subsidiaries: 1 Freedom Valley Drive
 Oaks, Pennsylvania 19456
 Attention: Kathy Heilig
 Treasurer
 Telephone: (610) 676-1897
 Fax: (484) 676-1897

With a copy to: Todd Cipperman, General Counsel
 SEI Investments Company
 1 Freedom Valley Drive
 Oaks, Pennsylvania 19456
 Telephone: (610) 676-1074
 Fax: (484) 676-1074

The Borrower and the Bank may, by written notice to the others as provided herein, designate another address for purposes hereunder.

(d) Expenses; Indemnity. Borrower agrees to pay all reasonable

out-of-pocket expenses of the Bank and their employees (including attorney's fees and legal expenses of the Bank's counsel, but excluding the salaries of the Bank's own employees) incurred by the Bank in entering into and closing this Agreement and preparing the documentation in connection herewith, and administering or enforcing the obligations of the Borrower hereunder or under any of the other Loan Documents, and Borrower agrees to pay the Bank upon demand for the same, provided that such obligations of the Borrower as to all fees and expenses incurred in connection with closing the Loan, including, without limitation, reasonable attorneys fees, shall not exceed \$15,000. Borrower agrees to defend, indemnify and hold the Bank harmless from any liability, obligation, cost, damage or expense (including reasonable attorney's fees and legal expenses) for taxes (other than income taxes), fees or third party claims which may arise or be related to the execution, delivery or performance of this Agreement or any of the other Loan Documents, except in the case of gross negligence or willful misconduct on the part of the Bank. Borrower further agrees to indemnify and hold harmless the Bank from any loss or expense which

the Bank may sustain or incur as a consequence of default by Borrower in payment of any principal of or interest on the Loan, including, without limitation, any such loss or expense arising from interest or fees payable by the Bank to lenders of funds obtained by them in order to maintain interest rates on Loan at the LIBOR Rate.

(e) Survival. All covenants and agreements of Borrower made

herein or otherwise in connection with the transactions contemplated hereby shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall remain in effect so long as any obligations of Borrower are outstanding hereunder or under any of the other Loan Documents.

(f) Severability. Any provision of this Agreement or any of the

other Loan Documents which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition of enforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(g) Law. IMPORTANT: The Loan shall be deemed made in Ohio and

this Agreement and all other Loan Documents, and all of the rights and obligations of Borrower and the Bank hereunder and thereunder, shall in all respects be governed by and construed in accordance with the laws of the State of Ohio, including all matters of construction, validity and performance. Without limitation on the ability of the Bank to initiate and prosecute any action or proceeding in any applicable jurisdiction related to loan repayment, Borrower and the Bank agrees that any action or proceeding commenced by or on behalf of the parties arising out of or relating to the Loan and/or this Agreement and/or any of the other Loan Documents shall be commenced and maintained in the District Court of the United States for the Southern District of Ohio, or any other court of applicable jurisdiction located in Cincinnati, Ohio. Borrower and the Bank also agree that a summons and complaint commencing an action or proceeding in any such Ohio courts by or on behalf of such parties shall be properly served and shall confer personal jurisdiction on a party (to which jurisdiction said party consents and submits itself, waiving any objection based upon forum non conveniens and any objection to venue of any action

instituted hereunder) to the extent permitted by law, if (i) served personally or by certified mail to the other party at any of its addresses noted herein, or (ii) to the extent otherwise provided under the laws of the State of Ohio. The interest rates and all other terms of the Loan negotiated with the Borrower are, in part, related to the

79

aforsaid provisions on jurisdiction, which the Bank deem a vital part of this loan arrangement. Borrower and the Bank each waive any right to trial by jury in any action or proceeding relating to this Agreement, the Notes or the Loan Documents or any transaction contemplated therein or thereby.

(h) Successors. This Agreement shall be binding upon and inure to

the benefit of Borrower, the Bank and their respective successors and assigns. Borrower shall not assign its rights or delegate its duties hereunder without the prior written consent of the Bank.

(i) Amendment. Except as otherwise expressly provided herein,

this Agreement may not be modified or amended except in writing signed by authorized officers of the Bank and Borrower.

(j) Counterparts. This agreement may be executed in counterparts,

all of which constitute one instrument hereunder.

80

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

FIRSTAR BANK, N.A.

SEI INVESTMENTS COMPANY

By: /s/ Richard W. Neltner

By:

Senior Vice President
its

And:
Derek S. Roudebush

LIST OF EXHIBITS

- 1(d) - Financial Information and Reports
- 1(f) - Actions
- 1(l) - Disclosures
- 2(a) - Financial Covenant Definitions
- 2(i) - Permitted Indebtedness
- 2(j) - Permitted Liens
- 2(l) - Permitted Transactions with Affiliates
- 2(m) - Permitted Investments
- 4(a) - Term Note
- 4(c) - Loan Pricing Request

EXHIBIT "1(d)"

FINANCIAL INFORMATION AND REPORTS

Financial Statements of Borrower

- 1. Audited GAAP financial statements for the years ended December 31, 2000.
- 2. Interim March 31, 2000 GAAP financial statements.

EXHIBIT "1(f)"

ACTIONS

None

EXHIBIT "1(l)"

DISCLOSURES

None

EXHIBIT "2(a)"

Financial Covenant Definitions

- 1. "Capitalized Lease" means any lease obligations with respect to which is required to be capitalized on a consolidated balance sheet of the lessee and its subsidiaries in accordance with GAAP.
- 2. "Consolidated Fixed Charges" for any period means on a consolidated basis the sum of (i) all Rentals (other than Rentals on Capitalized Leases) payable during such period by the Borrower and the Subsidiaries, and (ii) all Interest Charges on all Indebtedness (including the interest component of Rentals on Capitalized Leases) of the Borrower and the Subsidiaries.
- 3. "Consolidated Fixed Charges Coverage Ratio" means, at any time, the ratio of (a) Consolidated Income Available for Fixed Charges for the period of four consecutive fiscal quarters ending on, or most recently ended prior to, such time to (b) Consolidated Fixed Charges for such period.
- 4. "Consolidated Income Available for Fixed Charges" for any period means the sum of (i) Consolidated Net Income during such period plus (ii) to the extent deducted in determining Consolidated Net Income, (A) all provisions for any Federal, state or other income taxes made by the Borrower and the Subsidiaries during such period and (B) Consolidated Fixed Charges of the Borrower and the Subsidiaries during such period.
- 5. "Consolidated Net Income" for any period means the gross revenues

of the Borrower and the Subsidiaries for such period less all expenses and other proper charges (including taxes on income), determined on a consolidated basis after eliminating earnings or losses attributable to outstanding Minority Interests, but excluding in any event:

(a) any extraordinary gains or losses on the sale or other disposition of Investments or fixed or capital assets, and any taxes on such excluded gains and any tax deductions or credits on account of any such excluded losses;

(b) any net income or any net loss during such period from any discontinued operations or the disposition thereof,

(c) the proceeds of any life insurance policy;

(d) net earnings and losses of any Subsidiary accrued prior to the date it became a Subsidiary;

(e) net earnings and losses of any corporation (other than a Subsidiary, substantially all the assets of which have been acquired in any manner by the Borrower or any Subsidiary, realized by such corporation prior to the date of such acquisition;

(f) net earnings and losses of any corporation (other than a Subsidiary) with which the Borrower or a Subsidiary shall have consolidated or which shall have merged into or with the Borrower or a Subsidiary prior to the date of such consolidation or merger;

86

(g) net earnings of any business entity (other than a Subsidiary) in which the Borrower or any Subsidiary has an ownership interest unless such net earnings shall have actually been received by the Borrower or such Subsidiary in the form of cash distributions;

(h) any portion of the net earnings of any Subsidiary which for any reason is unavailable for payment of dividends to the Borrower or any other Subsidiary;

(i) earnings resulting from any reappraisal, revaluation or write-up of assets;

(j) any deferred or other credit representing any excess of the equity in any Subsidiary at the date of acquisition thereof over the amount invested in such Subsidiary;

(k) any gain arising from the acquisition of any Securities of the Borrower or any Subsidiary; and

(l) any reversal of any contingency reserve, which reversal is required under GAAP to be disclosed in the financial statements of the Borrower, except to the extent that provision for such contingency reserve shall have been made from income arising during such period.

6. "Consolidated Net Worth" shall mean as of the date of determination, the Borrower's consolidated capital stock accounts (net of treasury stock, at cost), plus (or minus in the case of deficit) consolidated retained earnings, minus 50% of the amount of the goodwill, if any, associated with the acquisition of property which would be required by GAAP to be classified as such on the consolidated balance sheet of the Borrower and the Subsidiaries.

7. "Consolidated Total Funded Debt" shall be defined as the sum, without duplication, of (a) outstanding borrowings under the Term Loan Facility, plus (b) the face amount of issued and outstanding letters of credit, plus (c) all other obligations of the Borrower and its consolidated Subsidiaries for borrowed money or which has been incurred in connection with the acquisition of assets, including capital lease obligations, plus (d) the amount of any securitized assets sold with or without recourse by the Borrower and/or its subsidiaries plus, (e) all guarantees provided by the Borrower and its subsidiaries to third parties.

8. "Consolidated Total Funded Debt/Consolidated Capitalization Ratio" or the "Consolidated Leverage Ratio" shall be defined as the ratio of Consolidated Total Funded Debt to the sum of (i) Consolidated Total Funded Debt, plus (ii) Consolidated Net Worth.

9. "Interest Charges" for any period means all interest and all amortization of debt discount and expense on any particular Indebtedness for which such calculations are being made. Computations of Interest Charges on a pro forma basis for Indebtedness having a variable interest rate shall be calculated at the rate in effect on the date of any determination.

10. "Investments" shall mean all investments, in cash or by delivery of property made, directly or indirectly in any Person, whether by acquisition

of shares of capital stock, indebtedness or other obligations or Securities or by loan, advance, capital contribution or otherwise; provided, however, that "Investments" shall not mean or include routine investments in property to be used or consumed in the ordinary course of business (including those assets designated as loans receivable available for sale in accordance with GAAP).

11. "Minority Interests" means any shares of stock of any class of Subsidiary (other than directors' qualifying shares as required by laws) that are not owned by a Borrower and/or one or more of the Subsidiaries. Minority Interests shall be valued by valuing Minority Interests constituting preferred stock at the voluntary or involuntary liquidating value of such preferred stock, whichever is greater, and by valuing Minority Interests constituting common stock at the book value of capital and surplus applicable thereto adjusted, if necessary, to reflect any changes from the book value of such common stock required by the foregoing method of valuing Minority Interests in preferred stock.

87

12. "Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

13. "Rentals" means and includes as of the date of any determination thereof all fixed payments (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender of the property) payable by the Borrower or a Subsidiary, as lessee or sublessee under a lease of real or personal property, but shall be exclusive of any amounts required to be paid by the Borrower or a Subsidiary (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Fixed rents under any so-called "percentage leases" shall be computed solely on the basis of the minimum rents, if any, required to be paid by the lessee regardless of sales volume or gross revenues.

88

EXHIBIT "2(i)"

ADDITIONAL PERMITTED INDEBTEDNESS

None

89

EXHIBIT "2(j)"

PERMITTED LIENS

None

90

EXHIBIT "2(l)"

PERMITTED TRANSACTIONS WITH AFFILIATES

None

91

EXHIBIT "2(m)"

PERMITTED INVESTMENTS

92

EXHIBIT "4(c)"

FORM OF LOAN PRICING REQUEST

TO: Firststar Bank, N.A.
Attn:
via fax (513) -----

FROM: SEI Investments Company

Name: -----

Title: -----

Phone: -----

DATE: _____, 20____

This memo confirms our telephone conversation regarding

Libor-based Term Pricing

Prime-based Term Pricing

Value Date: -----

Maturity Date: _____ (1, 2, 3 or 6 months)

\$ Amount: -----

With this request for a loan pricing, I certify that I am an Authorized Financial Officer and that all representations and warranties under the Loan Agreement remain true and correct in all material respects and that no Event of Default has occurred thereunder or will occur with the making of this pricing request.

SEI INVESTMENTS COMPANY

By: -----

Title:

COMMITTED LINE OF CREDIT NOTE

\$25,000,000

December 21, 2001

FOR VALUE RECEIVED, SEI INVESTMENTS COMPANY (the "Borrower"), with an address at 1 Freedom Valley Drive, Oaks, PA 19456, promises to pay to the order of PNC BANK, NATIONAL ASSOCIATION (the "Bank"), in lawful money of the United States of America in immediately available funds at its offices located at 1600 Market Street, Philadelphia, PA 19103, or at such other location as the Bank may designate from time to time, the principal sum of TWENTY FIVE MILLION DOLLARS (\$25,000,000) (the "Facility") or such lesser amount as may be advanced to or for the benefit of the Borrower hereunder, together with interest accruing on the outstanding principal balance from the date hereof, all as provided below:

1. Advances. The Borrower may request advances, repay and request additional

advances hereunder until the Expiration Date, subject to the terms and conditions of this Note and the Loan Documents (as hereinafter defined). The "Expiration Date" shall mean December 19, 2002, or such later date as may be designated by the Bank by written notice from the Bank to the Borrower. The Borrower acknowledges and agrees that in no event will the Bank be under any obligation to extend or renew the Facility or this Note beyond the Expiration Date. The Borrower may request advances hereunder upon giving oral or written notice to the Bank by 1:00 p.m. (Philadelphia, Pennsylvania time) (a) on the day of the proposed advance, in the case of advances to bear interest under the Base Rate Option (as hereinafter defined) and (b) three (3) Business Days prior to the proposed advance, in the case of advances to bear interest under the Euro-Rate Option (as hereinafter defined), followed promptly thereafter by the Borrower's written confirmation to the Bank of any oral notice. The aggregate unpaid principal amount of advances under this Note shall not exceed the face amount of this Note.

2. Rate of Interest. Each advance outstanding under this Note will bear interest

at a rate or rates per annum as may be selected by the Borrower from the interest rate options set forth below (each, an "Option"):

(i) Base Rate Option. A rate of interest per annum which is at all times

equal to the Prime Rate ("Base Rate"). For purposes hereof, the term "Prime Rate" shall mean the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers. If and when the Prime Rate changes, the rate of interest with respect to any advance to which the Base Rate Option applies will change automatically without notice to the Borrower, effective on the date of any such change. There are no required minimum interest periods for advances bearing interest under the Base Rate Option.

(ii) Euro-Rate Option. A rate per annum equal to the sum of (a) the

Euro-Rate plus (b) one hundred twenty-five (125) basis points (1.25%), for the applicable Euro-Rate Interest Period.

For purposes hereof, the following terms shall have the following meanings:

"Business Day" shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required to be closed for business in Philadelphia, Pennsylvania. "Euro-Rate" shall mean, with respect to any advance to which the Euro-Rate Option applies for the applicable Euro-Rate Interest Period, the interest rate per annum determined by the Bank by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1%) (i) the rate of interest determined by the Bank in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the eurodollar rate two (2) Business Days prior to the first day of such Euro-Rate Interest Period for an amount comparable to such advance and having a borrowing date and a

maturity comparable to such Euro-Rate Interest Period by (ii) a number equal to 1.00 minus the Euro-Rate Reserve Percentage.

"Euro-Rate Interest Period" shall mean the period of one (1), two (2), three (3) or six (6) months selected by the Borrower commencing on the date

of disbursement of an advance (or the date of conversion of an advance to the Euro-Rate Option, as the case may be) and each successive period selected by the Borrower thereafter; provided, that if a Euro-Rate Interest

Period would end on a day which is not a Business Day, it shall end on the next succeeding Business Day, unless such day falls in the succeeding calendar month in which case the Euro-Rate Interest Period shall end on the next preceding Business Day. In no event shall any Euro-Rate Interest Period end on a day after the Expiration Date.

"Euro-Rate Reserve Percentage" shall mean the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities").

The Euro-Rate shall be adjusted with respect to any advance to which the Euro-Rate Option applies on and as of the effective date of any change in the Euro-Rate Reserve Percentage. The Bank shall give prompt notice to the Borrower of the Euro-Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

If the Bank determines (which determination shall be final and conclusive) that, by reason of circumstances affecting the eurodollar market generally, deposits in dollars (in the applicable amounts) are not being offered to banks in the eurodollar market for the selected term, or adequate means do not exist for ascertaining the Euro-Rate, then the Bank shall give ten (10) business days notice thereof to the Borrower. After the Borrower's receipt of such notice and until the Bank notifies the Borrower in writing that the circumstances giving rise to such suspension no longer exist, (a) the availability of the Euro-Rate Option shall be suspended, and (b) the interest rate for all advances then bearing interest under the Euro-Rate Option shall be converted at the expiration of the then current Euro-Rate Interest Period(s) to the Base Rate Option.

In addition, if, after the date of this Note, the Bank shall determine (which determination shall be final and conclusive) that any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank to make or maintain or fund loans under the Euro-Rate Option, the Bank shall notify the Borrower in writing. Upon receipt of such notice, until the Bank notifies the Borrower in writing that the circumstances giving rise to such determination no longer apply, (a) the availability of the Euro-Rate Option shall be suspended, and (b) the interest rate on all advances then bearing interest under the Euro-Rate Option shall be converted to the Base Rate Option either (i) on the last day of the then current Euro-Rate Interest Period(s) if the Bank may lawfully continue to maintain advances under the Euro-Rate Option to such day, or (ii) immediately if the Bank may not lawfully continue to maintain advances under the Euro-Rate Option.

The foregoing notwithstanding, it is understood that the Borrower may select different Options to apply simultaneously to different portions of the advances and may select up to three (3) different interest periods to apply simultaneously to different portions of the advances bearing interest under the Euro-Rate Option. Interest hereunder will be calculated on the basis of a year of 360 days for the actual number of days elapsed. In no event will the rate of interest hereunder exceed the maximum rate allowed by law.

3. Interest Rate Election. Subject to the terms and conditions of this Note, at

the end of each interest period applicable to any advance, the Borrower may renew the Option applicable to such advance or convert such advance to a different Option; provided that, during any period in which any Event of Default

(as hereinafter defined) has occurred and is continuing, any advances bearing interest under the Euro-Rate Option shall, at the

Bank's sole discretion, be converted at the end of the applicable Euro-Rate Interest Period to the Base Rate Option and the Euro-Rate Option will not be available to Borrower with respect to any new advances until such Event of Default has been cured by the Borrower or waived by the Bank. The Borrower shall notify the Bank of each election of an Option, each conversion from one Option to another, the amount of the advances then outstanding to be allocated to each Option and where relevant the interest periods therefor. In the case of converting to the Euro-Rate Option, such notice shall be given at least three (3) Business Days prior to the commencement of any Euro-Rate Interest Period. If no notice of conversion or renewal is timely received by the Bank, the Borrower shall be deemed to have converted such advance to the Base Rate Option. Any such election shall be promptly confirmed in writing as provided herein, including,

without limitation, by electronic mail or facsimile.

4. Advance Procedures. A request for advance made by telephone must be promptly

confirmed in writing by such method as the Bank may require. The Borrower authorizes the Bank to accept telephonic requests for advances, and the Bank shall be entitled to rely upon the authority of any person providing such instructions. The Borrower hereby indemnifies and holds the Bank harmless from and against any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) which may arise or be created by the acceptance of such telephone requests or making such advances except in the event of the Bank's gross negligence. The Bank will enter on its books and records, which entry when made will be presumed correct, the date and amount of each advance, the interest rate and interest period applicable thereto, as well as the date and amount of each payment.

5. Payment Terms. The Borrower shall pay accrued interest on the unpaid

principal balance of this Note in arrears: (a) for the portion of advances bearing interest under the Base Rate Option, on the first day of each quarter during the term hereof, (b) for the portion of advances bearing interest under the Euro-Rate Option, on the last day of the respective Euro-Rate Interest Period for such advance, (c) if any Euro-Rate Interest Period is longer than three (3) months, then also on the three (3) month anniversary of such interest period and every three (3) months thereafter, and (d) for all advances, at maturity, whether by acceleration of this Note or otherwise, and after maturity, on demand until paid in full. All outstanding principal and accrued interest hereunder shall be due and payable in full on the Expiration Date.

If any payment under this Note shall become due on a Saturday, Sunday or public holiday under the laws of the State where the Bank's office indicated above is located, such payment shall be made on the next succeeding business day and such extension of time shall be included in computing interest in connection with such payment. The Borrower hereby authorizes the Bank to charge the Borrower's deposit account at the Bank for any payment if not paid when due, including any applicable cure period. Payments received will be applied to charges, fees and expenses (including attorneys' fees), accrued interest and principal in any order the Bank may choose, in its sole discretion.

6. Late Payments; Default Rate. If the Borrower fails to make any payment of

principal, interest or other amount coming due pursuant to the provisions of this Note within 10 calendar days of the date due and payable, the Borrower also shall pay to the Bank a late charge equal to the lesser of two percent (2%) of the amount of such payment or \$250.00 (the "Late Charge"). Such 10 day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Bank's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, this Note shall bear interest at a rate per annum (based on a year of 360 days and actual days elapsed) which shall be two percentage points (2%) in excess of the interest rate in effect from time to time under this Note but not more than the maximum rate allowed by law (the "Default Rate"). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purposes of defraying the Bank's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Bank's exercise of any rights and remedies hereunder, under the other Loan Documents or under applicable law, and any fees and expenses of any agents or attorneys which the Bank may employ. In addition, the Default Rate reflects the increased credit risk to the Bank of carrying a loan that is in default. The Borrower agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Bank, and that the actual harm incurred by the Bank cannot be estimated with certainty and without difficulty.

97

7. Prepayment. The Borrower shall have the right to prepay at any time and from

time to time, in whole or in part, without penalty, any advance hereunder which is accruing interest under the Base Rate Option. If the Borrower prepays (whether voluntary, on default or otherwise) all or any part of any advance which is accruing interest under the Euro-Rate Option other than the last day of the applicable Euro-Rate Interest Period, the Borrower shall pay to the Bank, on demand therefor, all amounts due pursuant to paragraph 8 below, including the Cost of Prepayment, if any.

8. Yield Protection. The Borrower shall pay to the Bank, on written demand

therefor, together with the written evidence of the justification therefor, all direct costs incurred, losses suffered or payments made by Bank by reason of any change in law or regulation or its interpretation imposing any reserve, deposit, allocation of capital, or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets. In addition, the

Borrower agrees to indemnify the Bank against any liabilities, losses or expenses (including loss of margin, any loss or expense sustained or incurred in liquidating or employing deposits from third parties, and any loss or expense incurred in connection with funds acquired to effect, fund or maintain any advance (or any part thereof) bearing interest under the Euro-Rate Option) which the Bank sustains or incurs as a consequence of either (i) the Borrower's failure to make a payment on the due date thereof, (ii) the Borrower's revocation (expressly, by later inconsistent notices or otherwise) in whole or in part of any notice given to Bank to request, convert, renew or prepay any advance, or (iii) the Borrower's payment, prepayment or conversion of any advance bearing interest under the Euro-Rate Option on a day other than the last day of the applicable Euro-Rate Interest Period, including but not limited to the Cost of Prepayment. "Cost of Prepayment" means an amount equal to the present value, if positive, of the product of (a) the difference between (i) the yield, on the beginning date of the applicable interest period, of a U.S. Treasury obligation with a maturity similar to the applicable interest period minus (ii) the yield, on the prepayment date, of a U.S. Treasury obligation with a maturity similar to the remaining maturity of the applicable interest period, and (b) the principal amount to be prepaid, and (c) the number of years, including fractional years from the prepayment date to the end of the applicable interest period. The yield on any U.S. Treasury obligation shall be determined by reference to Federal Reserve Statistical Release H.15(519) "Selected Interest Rates". For purposes of making present value calculations, the yield to maturity of a similar maturity U.S. Treasury obligation on the prepayment date shall be deemed the discount rate. The Cost of Prepayment shall also apply to any payments made after acceleration of the maturity of this Note. The Bank's determination of an amount payable under this paragraph shall, in the absence of manifest error, be conclusive and shall be payable on demand.

9. Other Loan Documents. This Note is issued in connection with a Letter

Agreement between the Borrower and the Bank dated on or before the date hereof, and the other agreements and documents executed in connection therewith or referred to therein, the terms of which are incorporated herein by reference (as amended, modified or renewed from time to time, collectively the "Loan Documents"), and is secured by the property described in the Loan Documents (if any) and by such other collateral as previously may have been or may in the future be granted to the Bank to secure this Note.

10. Events of Default. The occurrence of any of the following events will be

deemed to be an "Event of Default" under this Note: (i) the nonpayment of any principal, interest or other indebtedness under this Note when due; (ii) the occurrence of any event of default or default and the lapse of any notice or cure period under any Loan Document or any other debt, liability or obligation to the Bank of any Obligor; (iii) the filing by or against any Obligor of any proceeding in bankruptcy, receivership, insolvency, reorganization, liquidation, conservatorship or similar proceeding (and, in the case of any such proceeding instituted against any Obligor, such proceeding is not dismissed or stayed within 30 days of the commencement thereof, provided that the Bank shall not be obligated to advance additional funds during such period); (iv) any assignment by any Obligor for the benefit of creditors, or any levy, garnishment, attachment or similar proceeding is instituted against any property of any Obligor held by or deposited with the Bank; (v) a default with respect to any other indebtedness of any Obligor for borrowed money in an aggregate amount in excess of \$500,000, if the effect of such default is to cause or permit the acceleration of such debt; (vi) the commencement of any foreclosure or forfeiture proceeding, execution or attachment against any collateral securing the obligations of any Obligor to the Bank; (vii) the entry of a final judgment against any Obligor which individually or when combined with other such judgments causes

98

the aggregate of such judgments in excess of confirmed insurance coverage to exceed \$2,000,000 and the failure of such Obligor to discharge the judgment within 30 days of the entry thereof; (viii) any material adverse change in any Obligor's business, assets, operations, financial condition or results of operations; (ix) any Obligor ceases doing business as a going concern; (x) any representation or warranty made by any Obligor to the Bank in any Loan Document, or any other documents now or in the future evidencing or securing the obligations of any Obligor to the Bank, is false, erroneous or misleading in any material respect; or (xi) any Obligor's failure to observe or perform after the lapse of any required notice or cure period any covenant or other agreement with the Bank contained in any Loan Document or any other documents now or in the future evidencing or securing the obligations of any Obligor to the Bank. As used herein, the term "Obligor" means any Borrower and any Guarantor, and the term "Guarantor" means any guarantor of the Borrower's obligations to the Bank existing on the date of this Note or arising in the future.

Upon the occurrence of an Event of Default: (a) the Bank shall be under no further obligation to make advances hereunder; (b) if an Event of Default specified in clause (iii) or (iv) above shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder shall be immediately due and payable without demand or notice

of any kind; (c) if any other Event of Default shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder, at the Bank's option and without demand or notice of any kind, may be accelerated and become immediately due and payable; (d) at the Bank's option, this Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default; and (e) the Bank may exercise from time to time any of the rights and remedies available under the Loan Documents or under applicable law.

11. Right of Setoff. In addition to all liens upon and rights of setoff against

the Borrower's money, securities or other property given to the Bank by law, upon the occurrence of an Event of Default the Bank shall have, with respect to the Borrower's obligations to the Bank under this Note and to the extent permitted by law, a contractual right of setoff against, and the Borrower hereby assigns, conveys, delivers, pledges and transfers to the Bank all of the Borrower's right, title and interest in and to, all of the Borrower's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Bank or any other direct or indirect subsidiary of The PNC Financial Group, Inc., whether held in a general or special account or deposit, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts. Every such right of setoff may be exercised without demand upon or notice to the Borrower upon the occurrence of an Event of Default.

12. Miscellaneous. All notices, demands, requests, consents, approvals and other

communications required or permitted hereunder must be in writing (except as may be agreed otherwise above with respect to borrowing requests) and will be effective upon receipt. Such notices and other communications may be hand-delivered, sent by electronic mail or by facsimile transmission with confirmation of delivery and a copy sent by first-class mail, or sent by nationally recognized overnight courier service, to the addresses for the Bank and the Borrower set forth above or to such other address as either may give to the other in writing for such purpose. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. No modification, amendment or waiver of any provision of this Note nor consent to any departure by the Borrower therefrom will be effective unless made in a writing signed by the Bank and the Borrower. The Borrower agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Bank in the enforcement of its rights in this Note and in any security therefor, including without limitation reasonable fees and expenses of the Bank's counsel. If any provision of this Note is found to be invalid by a court, all the other provisions of this Note will remain in full force and effect. The Borrower and all other makers and indorsers of this Note hereby forever waive presentment, protest, notice of dishonor and notice of non-payment. The Borrower also waives all defenses based on suretyship or impairment of collateral. If this Note is executed by more than one Borrower, the obligations of such persons or entities hereunder will be joint and several. This Note shall bind the Borrower and its heirs, executors, administrators, successors and assigns, and the benefits hereof shall inure to the benefit of the Bank and its successors and assigns; provided, however, that

the Borrower may not assign this Note in whole or in part without the Bank's written consent and the Bank at any time may assign this Note in whole or in part.

This Note has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE BORROWER DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES. The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Note will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

13. WAIVER OF JURY TRIAL. THE BORROWER IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE

BORROWER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

The Borrower acknowledges that it has read and understood all the provisions of this Note, including the confession of judgment and the waiver of jury trial,

and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

[SEAL]

SEI INVESTMENTS COMPANY

Attest: _____

By: s/s Kathy Heilig _____

Print Name: _____

Print Name: Kathy Heilig

Title: _____

Title: Controler and Treasurer

December 21, 2001

SEI Investments Company
1 Freedom Valley Drive
Oaks, PA 19456
Attention: Robert M. Silvestri

Re: \$25,000,000 Committed Line of Credit

Ladies and Gentlemen:

We are pleased to inform you that PNC Bank, National Association (the "Bank"), has approved your request for a committed line of credit to SEI Investments Company (the "Borrower"). We look forward to this opportunity to help you meet the financing needs of your business. All the details regarding your line of credit are outlined in the following sections of this letter.

1. Facility and Use of Proceeds. This is a committed revolving line of credit
- _____

under which the Borrower may request and the Bank, subject to the terms and conditions of this letter, will make advances to the Borrower from time to time until the Expiration Date, in an amount in the aggregate at any time outstanding not to exceed \$25,000,000 (the "Line of Credit" or the "Loan"). The "Expiration Date" means December 19, 2002, or such later date as may be designated by the Bank by written notice to the Borrower. Advances under the Line of Credit will be used for working capital or other general business purposes of the Borrower.

The Borrower may request that the Bank, in lieu of cash advances, issue trade and/or standby letters of credit (individually, a "Letter of Credit" and collectively the "Letters of Credit") under the Line of Credit having expiration dates not later than the Expiration Date, unless approved in writing by the Bank, and aggregating not more than \$2,000,000 in face amount outstanding at any one time. The availability of advances under the Line of Credit shall be reduced by the face amount of each Letter of Credit issued and outstanding (whether or not drawn). Each payment by the Bank under a Letter of Credit shall in the Bank's discretion constitute an advance of principal under the Line of Credit and shall be evidenced by the Line of Credit Note (as defined below). The Letters of Credit shall be governed by the terms of this letter and by one or more reimbursement agreements, in form and content satisfactory to the Bank, executed by the Borrower in favor of the Bank (collectively, the "Reimbursement Agreement"). Each request for the issuance of a Letter of Credit must be accompanied by the Borrower's execution of an application on the Bank's standard forms (each, an "Application"), together with all supporting documentation. Each Letter of Credit will be issued in the Bank's sole discretion and in a form acceptable to the Bank. The Borrower shall pay the Bank's standard issuance fees, commissions and expenses therefor as shall be required by the Bank.

2 Note. The obligation of the Borrower to repay advances under the Line of ----
- _____

Credit shall be evidenced by a promissory note (the "Note") in form and content satisfactory to the Bank.

This letter (the "Letter Agreement"), the Note and the other agreements and documents executed and/ or delivered pursuant hereto, as each may be amended, modified, extended or renewed from time to time, will constitute the "Loan Documents." Capitalized terms not defined herein shall have the meaning ascribed to them in the Loan Documents.

3 Interest Rate. Interest on the unpaid balance of the Line of Credit advances
- _____

will be charged at the rates, and be payable on the dates and times, set forth in the Note.

4 Repayment. Subject to the terms and conditions of this Letter Agreement, the

Borrower may borrow, repay and reborrow under the Line of Credit until the Expiration Date, on which date the outstanding principal balance and any accrued but unpaid interest shall be due and payable. Interest will be due and payable as set forth in the Note, and will be computed on the basis of a year of 360 days and paid on the actual number of days that principal is outstanding.

5 Covenants. Unless compliance is waived in writing by the Bank, until payment

in full of the Loan and termination of the commitment for the Line of Credit and expiration or termination of all Letters of Credit:

(a) The Borrower will promptly submit to the Bank such information as the Bank may reasonably request relating to the Borrower's affairs (including but not limited to annual Financial Statements and tax returns for the Borrower) or any security for the Loan.

(b) The Borrower will notify the Bank in writing of the occurrence of any Event of Default or an act or condition which, with the passage of time, the giving of notice or both might become an Event of Default.

(c) The Borrower will comply with the financial and other covenants included in Exhibit "A" hereto.

6 Representations and Warranties. To induce the Bank to extend the Loan and upon

the making of each advance to the Borrower or issuing any Letter of Credit under the Line of Credit, the Borrower represents and warrants as follows:

(a) The Borrower's latest Financial Statements provided to the Bank are true, complete and accurate in all material respects and fairly present the financial condition, assets and liabilities, whether accrued, absolute, contingent or otherwise, and the results of the Borrower's operations for the period specified therein. The Borrower's Financial Statements have been prepared in accordance with generally accepted accounting principles consistently applied from period to period subject in the case of interim statements to normal year-end adjustments. Since the date of the latest Financial Statements provided to the Bank, neither the Borrower nor any Subsidiary (as defined in Exhibit A) has suffered any damage, destruction or loss which has materially adversely affected its business, assets, operations, financial condition or results of operations.

(b) There are no actions, suits, proceedings or governmental investigations pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary which could result in a material adverse change in its business, assets, operations, financial condition or results of operations and there is no basis known to the Borrower or its officers, directors or shareholders for any such action, suit, proceedings or investigation.

(c) Each of the Borrower and the Subsidiaries has filed all returns and reports that are required to be filed by it in connection with any federal, state or local tax, duty or charge levied, assessed or imposed upon it or its property, including

101

unemployment, social security and similar taxes and all of such taxes have been either paid or adequate reserve or other provision has been made therefor.

(d) Each of the Borrower and the Subsidiaries is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization and has the power and authority to own and operate its assets and to conduct its business as now or proposed to be carried on, and is duly qualified, licensed and in good standing to do business in all jurisdictions where its ownership of property or the nature of its business requires such qualification or licensing.

(e) The Borrower has full power and authority to enter into the transactions provided for in this Letter Agreement and has been duly authorized to do so by all necessary and appropriate action and when executed and delivered by the Borrower, this Letter Agreement and the other Loan Documents will constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms.

(f) There does not exist any default or violation by the Borrower of or under any of the terms, conditions or obligations of: (i) its organizational documents; (ii) any indenture, mortgage, deed of trust, franchise, permit, contract, agreement, or other instrument to which it is a party or by which it is bound; or (iii) any law, regulation, ruling, order, injunction, decree, condition or other requirement applicable to or imposed upon the Borrower by any law or by any governmental authority, court or agency.

7 Fees. Beginning on the last day of the first fiscal quarter ending after the

- -----
date of the Note and continuing on the last day of each quarter thereafter until the Expiration Date, the Borrower shall pay a commitment fee to the Bank, in arrears, at the rate of one-quarter of one percent (.25%) per annum on the average daily balance of the Line of Credit which is unused and uncanceled during the preceding quarter. The commitment fee shall be computed on the basis of a year of 360 days and paid on the actual number of days elapsed.

8 Expenses. The Borrower shall also reimburse the Bank for the Bank's expenses

- -----
(including the reasonable fees and expenses of the Bank's outside and in-house counsel not to exceed \$4,000) in documenting and closing this transaction, in connection with any amendments, modifications or renewals of the Loan, and in connection with the collection of all of the Borrower's Obligations to the Bank, including but not limited to enforcement actions relating to the Loan.

9 Other Conditions to Advances. The Bank will not be obligated to make an

- -----
advance or to issue any Letter of Credit under the Line of Credit until the Borrower has provided the following, all in form and content satisfactory to the Bank: certified resolutions of the Borrower's Board of Directors authorizing the borrowings hereunder and the execution and delivery of this Agreement and the other Loan Documents; certified certificate or incorporation and by-laws of the Borrower and a certificate of good standing from the Commonwealth of Pennsylvania; and an opinion of counsel to the Borrower addressing such matters relating to the Borrower and this transaction as the Bank may reasonably request.

10 Additional Provisions. Before the first advance under the Loan and/or the

- -----
issuance of any Letter of Credit, the Borrower shall execute and deliver to the Bank the Note, an Application for each Letter of Credit and the Reimbursement Agreement (if applicable) and other required Loan Documents and such other instruments and documents as the Bank may reasonably request. The Bank will not be obligated to make any advance or to issue any Letter of Credit under the Line of Credit if any Event of Default or event which with the passage of time, provision of notice or both would constitute an Event of Default shall have occurred and be continuing.

Prior to execution of the final Loan Documents, the Bank may terminate this Letter Agreement if a material adverse change occurs with respect to the Borrower, or if the Borrower fails to comply with any of the terms and conditions of this Letter Agreement.

This Letter Agreement is governed by the laws of the Commonwealth of Pennsylvania. No modification, amendment or waiver of any of the terms of this Letter Agreement, nor any consent to any departure by the Borrower therefrom, will be effective unless made in a writing signed by the party to be charged, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. When accepted, this Letter Agreement and the other Loan Documents will constitute the entire agreement between the Bank and the Borrower concerning the Loan, and shall replace all prior understandings, statements, negotiations and written materials relating to the Loan.

The Borrower agrees to indemnify the Bank (and its directors, officers, employees, agents and controlling persons) against any and all claims, losses, damages, liabilities, costs and expenses (including, by way of example only, reasonable fees and expenses of counsel and expert witnesses) which may be incurred by any of them in connection with any investigation, litigation or other proceeding relating to the Loan, the Loan Documents and/ or the use of proceeds of the Loan, except those solely attributable to its or their own gross negligence or willful misconduct. The Borrower's indemnification obligations are in addition to any other liability the Borrower may otherwise have, and shall survive payment in full of the Loans, termination of this Letter Agreement and the other Loan Documents, and assignment of any rights hereunder.

The Bank will not be responsible for any damages, consequential, incidental, punitive or otherwise, that may be incurred or alleged by any person or entity, including the Borrower and the Guarantor, as a result of this Letter Agreement, the other Loan Documents, the transactions contemplated hereby or thereby and the use of proceeds of the Loan.

THE BORROWER AND THE BANK IRREVOCABLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE ARISING OUT OF THIS LETTER AGREEMENT, THE OTHER LOAN DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED IN ANY OF SUCH DOCUMENTS AND ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

If and when a loan closing occurs, this Letter Agreement (as the same may be amended from time to time) shall survive the closing and will serve as our loan agreement throughout the term of the Loan.

To accept these terms, please sign the enclosed copy of this Letter Agreement as set forth below and the Loan Documents and return them to the Bank within 30 days from the date of this Letter Agreement, or this Letter Agreement may be terminated at the Bank's option without liability or further obligation of the Bank.

Thank you for giving PNC Bank this opportunity to work with your business. We look forward to other ways in which we may be of service to your business. Very truly yours,

PNC BANK, NATIONAL ASSOCIATION

By: _____

Title: _____

103

ACCEPTANCE

With the intent to be legally bound hereby, the above terms and conditions are hereby agreed to and accepted as of this _____ day of December, 2001.

BORROWER:

SEI INVESTMENTS COMPANY

By: _____

(SEAL)

Print Name: _____

Title: _____

104

EXHIBIT A

A. FINANCIAL REPORTING COVENANTS:

(1) The Borrower will deliver to the Bank:

(a) Financial Statements for its fiscal year, within 90 days after fiscal year end, audited and certified without qualification by a certified public accountant acceptable to the Bank.

(b) Financial Statements for each fiscal quarter, within 45 days after the quarter end, together with year-to-date and comparative figures for the corresponding periods of the prior year, certified as true and correct by its chief financial officer.

(c) With each delivery of Financial Statements, a certificate of the Borrower's chief financial officer as to the Borrower's compliance with the financial covenants set forth below for the period then ended and whether any Event of Default exists, and, if so, the nature thereof and the corrective measures the Borrower proposes to take. This certificate shall set forth all detailed calculations necessary to demonstrate such compliance.

"Financial Statements" means the consolidated balance sheet and statements of income and cash flows prepared in accordance with generally accepted accounting principles in effect from time to time ("GAAP") applied on a consistent basis (subject in the case of interim statements to normal year-end adjustments).

B. FINANCIAL COVENANTS:

(1) The Borrower will maintain at all times a minimum Consolidated Net Worth of not less than the sum of (a) \$155,152,000 plus (b) an aggregate amount equal to 50% of its Consolidated Net Income (but, in each case, only if a positive number) for each completed fiscal year beginning with the fiscal year ending on December 31, 2001, plus (c) 50% of its Consolidated Net Income (but only if a positive number) for the period beginning on the first day of the then current fiscal year and ending at the end of the then most recently completed fiscal quarter.

(2) The Borrower will maintain at all times a Consolidated Fixed Charges Coverage Ratio of at least 1.25 to 1.

(3) The Borrower will maintain at all times a Consolidated Leverage Ratio of not more than .65 to 1.

Additional Defined Terms used in Exhibit A:

"Capitalized Lease" means any lease obligations with respect to which is required to be capitalized on a consolidated balance sheet of the lessee and its subsidiaries in accordance with GAAP.

"Consolidated Fixed Charges" for any period means on a consolidated basis the sum of (i) all Rentals (other than Rentals on Capitalized Leases) payable during such period by the Borrower and the Subsidiaries, and (ii) all Interest Charges on all Indebtedness (including the interest component of Rentals on Capitalized Leases) of the Borrower and the Subsidiaries.

"Consolidated Fixed Charges Coverage Ratio" means, at any time, the ratio of (a) Consolidated Income Available for Fixed Charges for the period of four consecutive fiscal quarters ending on, or most recently ended prior to, such time to (b) Consolidated Fixed Charges for such period.

"Consolidated Income Available for Fixed Charges" for any period means the sum of (i) Consolidated Net Income during such period plus, (ii) to the extent deducted in determining Consolidated Net Income, (A) all provisions for any Federal, state or other income taxes made by the Borrower and the Subsidiaries during such period and (B) Consolidated Fixed Charges of the Borrower and the Subsidiaries during such period.

"Consolidated Net Income" for any period means the gross revenues of the Borrower and the Subsidiaries for such period less all expenses and other proper charges (including taxes on income), determined on a consolidated basis after eliminating earnings or losses attributable to outstanding Minority Interests, but excluding in any event:

(a) any extraordinary gains or losses on the sale or other disposition of Investments or fixed or capital assets, and any taxes on such excluded gains and any tax deductions or credits on account of any such excluded losses;

(b) any net income or any net loss during such period from any discontinued operations or the disposition thereof,

(c) the proceeds of any life insurance policy;

(d) net earnings and losses of any Subsidiary accrued prior to the date it became a Subsidiary;

(e) net earnings and losses of any corporation (other than a Subsidiary) substantially all the assets of which have been acquired in any manner by the Borrower or any Subsidiary realized by such corporation prior to the date of such acquisition;

(f) net earnings and losses of any corporation (other than a Subsidiary) with which the Borrower or a Subsidiary shall have consolidated or which shall have merged into or with the Borrower or a Subsidiary prior to the date of such consolidation or merger;

(g) net earnings of any business entity (other than a Subsidiary) in which the Borrower or any Subsidiary has an ownership interest unless such net earnings shall have actually been received by the Borrower or such Subsidiary in the form of cash distributions;

(h) any portion of the net earnings of any Subsidiary which for any reason is unavailable for payment of dividends to the Borrower or any other Subsidiary;

(i) earnings resulting from any reappraisal, revaluation or write-up of assets;

(j) any deferred or other credit representing any excess of the equity in any Subsidiary at the date of acquisition thereof over the amount invested in such Subsidiary;

(k) any gain arising from the acquisition of any Securities of the Borrower or any Subsidiary; and

(l) any reversal of any contingency reserve, which reversal is required under GAAP to be disclosed in the financial statements of the Borrower, except to the extent that provision for such contingency reserve shall have been made from income arising during such period.

"Consolidated Net Worth" shall mean as of the date of determination, the Borrower's consolidated capital stock accounts (net of treasury stock, at cost), plus (or minus in the case of deficit) consolidated retained earnings, minus 50% of the amount of the goodwill if any, associated with the acquisition of property which would be required by GAAP to be classified as such on the consolidated balance sheet of the Borrower and the Subsidiaries.

"Consolidated Total Funded Debt" shall be defined as the sum, without duplication, of (a) outstanding borrowings under the Line of Credit, plus (b) the face amount of issued and outstanding letters of credit, plus (c) all other obligations of the Borrower and its consolidated Subsidiaries for borrowed money or which has been incurred in connection with the acquisition of assets, including capital lease obligations, plus (d) the amount of any securitized assets sold with or without recourse by the Borrower and/or its subsidiaries plus, (e) all guarantees provided by the Borrower and the Subsidiaries to third parties.

"Consolidated Leverage Ratio" shall be defined as the ratio of Consolidated Total Funded Debt to the sum of (i) Consolidated Total Funded Debt plus (ii) Consolidated Net Worth.

"Indebtedness" as used in this Agreement means all indebtedness for borrowed money which in accordance with generally accepted accounting principles would be considered as a liability, all Rentals under Capitalized Leases, all guarantees and other contingent obligations in respect of, or obligations to purchase or otherwise acquire, Indebtedness of others, and Indebtedness of others secured by any lien on property owned by the Borrower or any Subsidiary, whether or not the Borrower or such Subsidiary has assumed such Indebtedness.

"Interest Charges" for any period means all interest and all amortization of debt, discount and expense on any particular Indebtedness for which such calculations are being made. Computations of Interest Charges on a pro forma basis for Indebtedness having a variable interest rate shall be calculated at the rate in effect on the date of any determination.

"Investments" shall mean all investments, in cash or by delivery of property made, directly or indirectly in any Person, whether by acquisition of shares of capital stock, indebtedness or other obligations or securities or by loan, advance, capital contribution or otherwise; provided, however, that "Investments" shall not mean or include routine investments in property to be used or consumed in the ordinary course of business (including those assets designated as loans receivable available for sale in accordance with GAAP).

"Liens" means any interest in property securing an obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on the common law, statute or contract, and including but not limited to the security interest or lien arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" shall include reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances (including, with respect to stock, stockholder agreement, voting trust agreements, buy-back agreements and all similar arrangements) affecting property. For the purposes of this Letter Agreement, the Borrower or a Subsidiary shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement, Capitalized Lease or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes and such retention or vesting shall constitute a Lien.

"Minority Interests" means any shares of stock of any class of a Subsidiary (other than directors' qualifying shares as required by laws) that are not owned by a Borrower and/or one or more of the Subsidiaries. Minority Interests shall be valued by valuing Minority Interests constituting preferred stock at the voluntary or involuntary liquidating value of such preferred stock, whichever is greater, and by valuing Minority Interests constituting common stock at the book value of capital and surplus applicable thereto adjusted, if necessary, to reflect any changes from the book value of such common stock required by the foregoing method of valuing Minority Interests in preferred stock.

"Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"Rentals" means and includes as of the date of any determination thereof all fixed payments (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender of the property) payable by the Borrower or a Subsidiary, as lessee or sublessee under a lease of real or personal property, but shall be exclusive of any amounts required to be paid by the Borrower or a Subsidiary (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Fixed rents under any so-called "percentage leases" shall be computed solely on the basis of the minimum rents, if any, required to be paid by the lessee regardless of sales volume or gross revenues.

"Subsidiary" means any corporation or other entity the majority of the voting stock of which is owned, directly or indirectly, beneficially or of record, by the Borrower or any Subsidiary, or which is otherwise controlled, directly or indirectly, by the Borrower or any Subsidiary.

C. NEGATIVE COVENANTS:

(1) The Borrower shall not incur or permit to exist (or allow any

Subsidiary to permit to exist) any Indebtedness, except (i) the borrowing under the Line of Credit, (ii) Indebtedness with an initial principal balance of \$35,000,000 owing to various insurance companies under Note Purchase Agreements dated as of February 24, 1997, as amended (the "Senior Notes" or the "Note Purchase Agreements"); (iii) a term loan of \$25,000,000 owing to Firststar Bank, N.A. under a Loan Agreement initially dated June 26, 2001, as amended, (iv) unsecured trade credits or debt, or open accounts incurred in the ordinary course of business or unsecured seller financing of the acquisition of assets or businesses consistent with the Borrower's business; (v) operating leases aggregating a maximum of \$500,000 per month for normal business purposes; (vi)

106

indebtedness related to purchase money security interests arising in the ordinary course of the Borrower's business and limited as noted in Section (2) below; (vii) Indebtedness which constitutes a renewal, extension, substitution, refinancing, or replacement (collectively "Restructuring") of Indebtedness of the Borrower and its Subsidiaries, provided that the resulting Indebtedness from such Restructuring shall not exceed the outstanding principal amount of such restructured Indebtedness, unless the Borrower and its Subsidiaries would be specifically permitted hereunder to incur such excess amount of Indebtedness and still continue to satisfy all financial covenants herein, (viii) non-recourse Indebtedness of the Borrower and its Subsidiaries incurred in connection with (a) the financing of the distribution of fund shares that do not assess a front-end load or sales charge which Indebtedness expressly precludes the payment thereof from any properties or assets of the Borrower or its Subsidiaries other than 12b-1 fees, contingent deferred sales charges, and other substantially similar fees, charges, expenses or liabilities permitted under applicable law and the proceeds thereof, or (b) financing, acquisition, or purchase of trade finance receivables which Indebtedness expressly excludes the payment thereof from any properties or assets of the Borrower and its Subsidiaries other than such receivables and the proceeds thereof and (ix) additional unsecured Indebtedness in an aggregate amount not to exceed \$25,000,000 (all such Indebtedness sometimes collectively called herein the "Permitted Indebtedness").

(2) The Borrower will not, and will not permit any Subsidiary to, create or incur, or suffer to be incurred or to exist, any Lien on its or their property or assets, whether now owned or hereafter acquired, or upon any income or profits therefrom, or transfer any property for the purpose of subjecting the same to the payment of obligations in priority to the payment of its or their general creditors, or acquire or agree to acquire, or permit any Subsidiary to acquire, any property or assets upon conditional sales agreements or other title retention devices, except as follows (collectively the "Permitted Liens"):

(i) Liens for property taxes and assessments or governmental charges or levies Liens securing claims or demands of carriers, warehousemen, landlords, mechanics and materialmen, provided that such Liens are being contested in good faith and that adequate reserves therefore are established in accordance with GAAP, that such contests will not materially adversely affect the operations or financial condition of the Borrower and the Subsidiaries taken as a whole, and that such taxes and assessments are promptly paid when the dispute is finally determined;

(ii) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which the Borrower or a Subsidiary shall at any time in good faith be pursuing an appeal or proceeding for a review and in respect to which a stay of execution pending such appeal or proceeding for review shall have been secured;

(iii) Liens incidental to the conduct of business or the ownership of properties and assets (including Liens in connection with worker's compensation, unemployment insurance and other like laws, warehousemen's and attorneys' liens and statutory landlords' liens) and Liens to secure the performance of bids, tenders or trade contracts, or to secure statutory obligations, surety or appeal bonds or other Liens of like general nature incurred in the ordinary course of business and not in connection with the borrowing of money provided in each case, the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate actions or proceedings;

(iv) Minor survey exceptions or minor encumbrances, easements or reservations, or rights of others for rights-of-way, utilities and other similar purposes, or zoning or other restrictions as to the use of real properties, which are necessary for the conduct of the activities of the Borrower and its Subsidiaries or which customarily exist on properties of corporations engaged in similar activities and similarly situated and which do not in any event materially impair their use in the operation of the business of the Borrower and its Subsidiaries;

(v) Liens securing Indebtedness of a Subsidiary to the Borrower or to another Subsidiary;

(vi) Liens existing as of the date hereof and securing Indebtedness of SEI Financial Services Company ("SFS") under a Nonrecourse Note in the aggregate amount of \$500,000 pursuant to the terms of a certain Nonrecourse Revolving Loan

Agreement, dated as of April 28, 1995, by and between SFS and Crestar Bank, N.A., with respect to the financing of payments that SFS is required to pay to Crestar Securities Corporation in connection with the sale of the Class B shares of CrestFunds, Inc. (such Indebtedness being nonrecourse to SFS and secured by Rule 12b-1 fees and contingent deferred sales charges to be paid to SFS by CrestFunds, Inc.);

(vii) Liens incurred after the date hereof given to secure Capitalized Leases or the payment of the purchase price incurred in connection with the acquisition of fixed assets useful and intended to be used in carrying on the business of the Borrower or a Subsidiary, including Liens on such fixed assets at the time of acquisition thereof or at the time of acquisition by the Borrower or a Subsidiary of any business entity the owning such fixed assets, whether or not such existing Liens were given to secure the payment of the purchase price of the fixed assets to which they attach so long as they were not incurred, extended or renewed in contemplation of such acquisition, provided, however,

that (i) the Lien shall attach solely to the fixed assets acquired or purchased, (ii) at the time of acquisition of such fixed assets, the aggregate amount remaining unpaid on all indebtedness secured by Liens on such fixed assets whether or not assumed by the Borrower or a Subsidiary shall not exceed an amount equal to 100% of the lesser of the total purchase price or fair market value at the time of acquisition of such fixed assets (as determined in good faith by the chief financial officer of the Borrower), and (iii) all such indebtedness shall have been incurred within the applicable limitations provided in Section (1) hereof;

(viii) Liens renewing, extending or refunding any Lien permitted by subsections (vi) and (vii) of this Section (2), provided, however, that (i) at

the time of such extension, renewal or refunding and after giving effect thereto, no Event of Default exists, (ii) the principal amount of Indebtedness secured by such Lien immediately prior to such extension, renewal or

107

refunding is not increased or the maturity thereof reduced, and (iii) such Lien is not extended to any other property of the Borrower or any Subsidiary;

(ix) Other Liens not otherwise permitted by subsections (i) through (viii) above, provided, however, that the Indebtedness secured thereby is permitted

pursuant to Section (1) hereof; and

(x) Liens on Rule 12b-1 Fees, contingent deferred sales charges, other substantially similar fees, charges, expenses or liabilities permitted under applicable law, and trade finance receivables and the proceeds thereof, provided that the Indebtedness secured thereby is permitted pursuant to Sections (1) hereof;

provided, however, that the aggregate Indebtedness of the Borrower and the

Subsidiaries subject to Permitted Liens hereunder shall never exceed twenty percent (20%) of Consolidated Net Worth. For purposes of this Section (2), any Person becoming a Subsidiary after the date of this Agreement shall be deemed to have incurred all of its then outstanding Liens at the time it becomes a Subsidiary, and any Person extending, renewing or refunding any Indebtedness secured by any Lien permitted pursuant to Section (1) shall be deemed to have incurred such Lien at the time of such extension, renewal or refunding.

(3) Except as otherwise expressly permitted under this Agreement, the Borrower shall not, and shall not permit any Subsidiary to, enter into or be a party to any transaction with the Borrower, the Subsidiaries or other affiliates, except in the ordinary course of business, pursuant to the reasonable requirements of that entity's business, and upon fair and reasonable terms which are fully disclosed to the Bank and could be obtained in a reasonably comparable arm's length transaction with an unrelated third party (including, without limitation, the continuance of or establishment of transactions specified in Schedule I hereto or as otherwise previously approved in writing by the Bank); provided, however, that such limitation shall not apply

to or affect the power of the Borrower to acquire, accept and repay unsecured loans and advances from the owner or a Subsidiary of the Borrower or limit reasonable management fees or dividends which might be payable by the Borrower to its owner or from a Subsidiary to the Borrower or another affiliate (assuming such repayment, fees or dividends can be made without breach of the financial covenants or other provisions of this Letter Agreement).

(4) The Borrower will not, nor will it permit any Subsidiary to, consolidate or merge with or into, or sell, lease or otherwise transfer all or any substantial part of its assets to, any other organization or entity, or discontinue or eliminate any business line or segment, provided that (a) the

Borrower or a Subsidiary may merge with another organization or entity if (i) the Borrower or such Subsidiary is the corporation surviving such merger and

such survivor is an organization or entity organized under the laws of the United States of America or one of its States (unless such survivor is a Subsidiary which is already an existing foreign organization), and (ii) immediately after giving effect to such merger, no Event of Default shall have occurred and be continuing, (b) Subsidiaries of the Borrower may merge with one another, and (c) the foregoing limitation on the sale, lease or other transfer of assets and on the discontinuation or elimination of a business line or segment shall not prohibit, at any time, a transfer of assets or the discontinuance or elimination of a business line or segment (in a single transaction or in a series of related transactions) unless the aggregate assets to be so transferred or utilized in a business line or segment to be so discontinued, when combined with all other assets transferred, and all other assets utilized in all other business lines or segments discontinued, after the effective date of the transaction constitutes more than fifteen percent (15%) of Consolidated Total Assets as set forth or reflected on the most recent consolidated balance sheet of the Borrower in accordance with GAAP.

(5) The Borrower will not, and will not permit any Subsidiary to, make any Investments, other than:

(i) Investments existing as of the date hereof and reflected on Schedule I hereof;

(ii) Investments by the Borrower and its Subsidiaries in and to other Subsidiaries, including any Investment in a corporation which, after giving effect to such Investment, will become a Subsidiary;

(iii) Investments in commercial paper maturing in 270 days or less from the date of acquisition which, at the time of acquisition by the Borrower or any Subsidiary, is accorded the highest rating by S&P, Moody's or other nationally recognized credit rating agency of similar standing;

(iv) Investments in direct obligations of the United States of America or any agency or instrumentality of the United States of America, the payment or guarantee of which constitutes a full faith and credit obligation of the United States of America, in either case, maturing in twelve (12) months or less from the date of acquisition thereof;

(v) Investments in certificates of deposit maturing within one year from the date of acquisition thereof, issued by any bank or trust company (A) which is organized under the laws of the United States of America or any State thereof, and (B) which has capital, surplus and undivided profits aggregating at least \$250,000,000;

(vi) Investments in property to be used in the ordinary course of business of the Borrower and its Subsidiaries, including assets designated as loans receivable available for sale in accordance with GAAP;

(vii) Investments in new mutual funds or other pooled investment vehicles sponsored, managed or administered by the Borrower or any Subsidiary, provided, however, that the amount of any Investment in any new mutual fund or other pooled investment vehicle administered (but not sponsored or managed) by the Borrower or any Subsidiary shall not exceed the lesser of (A) \$500,000, or (B) the minimum amount of such Investment required by applicable law;

(viii) Investments in the Borrower's common stock related to a disclosed stock repurchase or buy-back plan;

(ix) Investments in repurchase agreements with a term of not more than 365 days; and

(x) Any other Investments, provided that immediately after giving effect thereto the aggregate outstanding value of all such other investments (valued immediately after giving effect thereto) would not exceed the greater of (A) \$12,000,000 and (B) 10% of Consolidated Net Worth, both determined as of the date that such additional other Investment is made.

108

In valuing any Investments for the purpose of applying the limitations set forth in this Section (5), such Investments shall be taken at the original cost thereof, without allowance for any subsequent write-offs or application or depreciation therein, but less any amount repaid or recovered on account of capital or principal. For purposes of this Section (5), at any time when a corporation becomes a Subsidiary, all Investments of such corporation at such time shall be deemed to have been made by such corporation, as a Subsidiary, at such time.

(6) The Borrower will not make or permit any change in its form of organization or the nature of its business as carried on as of the date of this Letter Agreement or permit any person to become the owner of more than thirty percent (30%) of its outstanding shares other than the Borrower and its Subsidiaries, any employee benefit plan of the Borrower or its Subsidiaries, any

person appointed or entity organized or established by the Borrower for or pursuant to any such employee benefit plan, and Alfred P. West, Jr. or his spouse, and/or a member of his immediate family or, without prior notice to and written approval by the Bank (which approval shall not be unreasonably withheld), permit a material change in the members of the Borrower's Board of Directors or the Borrower's senior management.

EXHIBIT 21
SUBSIDIARIES OF THE REGISTRANT

110

SUBSIDIARIES OF THE REGISTRANT

<TABLE>
<CAPTION>

NAME -----	JURISDICTION OF ORGANIZATION OR INCORPORATION -----
<S>	<C>
SEI Investments Distribution Company	Pennsylvania
SEI Investments Management Corporation	Delaware
SEI, Inc.	Canada (Federal)
SEI Capital Limited	Canada (Federal)
SEI Investments Developments, Inc.	Delaware
SEI Investments Mutual Funds Services	Delaware
SEI Investments Fund Management	Delaware
SEI Trust Company	Pennsylvania
SEI Funds, Inc.	Delaware
SEI Investments, Inc.	Delaware
SEI Global Investments Corporation	Delaware
SEI Capital AG	Switzerland
SEI Investments Canada Company	Canada (Federal)
SEI Advanced Capital Management, Inc.	Delaware
SEI Global Capital Investments, Inc.	Delaware
SEI Investments Global Management (Cayman) Inc.	Cayman Islands, B. W. I.
SEI Investments Global, Limited	Ireland
Fund Resources International Limited	Ireland
SEI Investments Argentina, S. A.	Argentina
SEI Global Holdings Inc.	Cayman Islands, B. W. I.
Latinvest Sociedad de Bolsa, S. A.	Argentina
Quadrum, S. A.	Argentina
SEI Investments South Africa Limited	South Africa
SEI Primus Holdings	Canada
SEI Investments Trustee & Custodial Services (Ireland) Limited	Ireland
SEI Private Trust	Pennsylvania
SEI Venture Inc	Delaware
SEI Investments de Mexico	Mexico

111

<TABLE>

<S>	<C>
SEI Asset Korea	South Korea
SEI Investments Europe Limited	United Kingdom
CCF - SEI Investments	France
SEI Investments - Unit Trust Management	United Kingdom
SEI Vermogans Services B.V.	Netherlands

SEI Family Office Services, LLC

Delaware

Lartington Limited

Ireland

SEI Investments Management Company II
</TABLE>

Delaware

EXHIBIT 23
CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

113

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To SEI Investments Company:

As independent public accountants, we hereby consent to the incorporation of our report, included in this Form 10-K, into the Company's previously filed Registration Statements File No. 2-73997, File No. 2-75629, File No. 2-78133, File No. 2-80841, File No. 2-89659, File No. 33-19952, File No. 33-24595, File No. 33-41602, File No. 333-41343, and File No. 333-63709.

ARTHUR ANDERSEN LLP

Philadelphia, Pa.,
March 28, 2002

114

EXHIBIT 99.1
MISCELLANEOUS EXHIBIT

115

The undertaking set forth below is filed for purposes of incorporation by reference into Part II of the registration statements on Form S-8, File No. 2-73997, File No. 2-75629, File No. 2-78133, File No. 2-80841, File No. 2-89659, File No. 33-19952, File No. 33-24595, File No. 33-41602, File No. 333-41343, and File No. 333-63709.

Item 9. Undertakings.

- - - - -

- (a) The undersigned registrant hereby undertakes:

Inssofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Securities Act") may be permitted to directors, officers or persons controlling the registrant pursuant to the provisions described in this registration statement, or otherwise, SEI Investments Company (the "Company") has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

116

EXHIBIT 99.2
MISCELLANEOUS EXHIBIT

117

March 28, 2002

Securities and Exchange Commission
Judiciary Plaza
450 Fifth Street, N.W.
Washington D.C. 20549

RE Arthur Andersen LLP

Ladies and Gentleman:

Pursuant to Temporary Note 3T to Article 3 of Regulation S_X adopted by the Securities and Exchange Commission, Arthur Andersen has represented to us the following regarding the audit of our consolidated balance sheets as of December 31, 2001 and December 31, 2000, and the related consolidated statements of income, cash flows and comprehensive income and shareholders' equity for each of the three years in the period ended December 31, 2001

The audit was subject to Arthur Andersen's quality control system for the U.S. accounting and auditing practice to provide reasonable assurance that the engagement was conducted in compliance with professional standards, that there was appropriate continuity of Arthur Andersen personnel working on the audit, availability of national office consultation and availability of personnel at foreign affiliates of Arthur Andersen to conduct the relevant portions of the audit.

Sincerely.

/s/ Kathy Heilig
Kathy Heilig
Vice President and Controller

118