SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)*
X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 2001 or

______ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _________ to _________

0-10200
(Commission File Number)

SEI INVESTMENTS COMPANY
(Exact name of registrant as specified in its charter)

Pennsylvania	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)

(610) 676-1000
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 X No___

*APPLICABLE ONLY TO ISSUERS 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 Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes___ No___

*APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of September 30, 2001: 108,024743 shares of common stock, par value $.01 per share.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets
(In thousands)

<TABLE>
<CAPTION>

	September 30, 2001 (unaudited)	December 31, 2000
<S>	<C>	<C>
Assets		

Current assets:		
Cash and cash equivalents (including restricted cash of $10,889 and $11,900)	$144,156	$159,576
Receivables from regulated investment companies	25,752	27,607
Receivables, net of allowance for doubtful accounts of $1,700	64,540	47,404
Deferred income taxes	7,160	9,030
Prepaid expenses and other current assets	6,095	5,414
Total current assets	247,703	249,031
Property and equipment, net of accumulated depreciation and amortization of $96,686 and $83,874	89,095	75,111
Capitalized software, net of accumulated amortization of $13,060 and $11,733	11,495	12,823
Investments Available for Sale	62,036	20,294
Other assets, net	25,529	18,323
Total Assets	$435,858	$375,582

</TABLE>

The accompanying notes are an integral part of these statements.

Consolidated Balance Sheets

(In thousands, except par value)

<TABLE>
<CAPTION>

<S>	September 30, 2001 (unaudited) <C>	December 31, 2000 <C>
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 7,556	$ 2,000
Accounts payable	4,862	6,721
Accrued expenses	143,484	121,282
Deferred revenue	5,934	16,450
Total current liabilities	161,836	146,453
Long-term debt	44,444	27,000
Deferred income taxes	4,287	4,708
Shareholders' equity:		
Common stock, $.01 par value, 750,000 shares authorized; 108,025 and 108,560 shares issued and outstanding	1,080	1,086
Capital in excess of par value	162,410	125,473
Retained earnings	64,493	72,521
Accumulated other comprehensive losses	(2,692)	(1,659)
Total shareholders' equity	225,291	197,421

Total Liabilities and Shareholders' Equity	$435,858	$375,582
	========	========

</TABLE>

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

(unaudited)
(In thousands, except per share data)

<TABLE>
<CAPTION>

	Three Months Ended September 30, 2001	2000
<S>	<C>	<C>
Revenues	$163,403	$155,628
Expenses:		
Operating and development	72,357	72,147
Sales and marketing	38,530	38,064
General and administrative	5,887	4,312
	--------	--------
Income from operations	46,629	41,105
Equity in the earnings of unconsolidated affiliate	2,637	1,853
Interest income	1,887	1,938
Interest expense	(532)	(572)
	--------	--------
Income before income taxes	50,621	44,324
Income taxes	18,730	16,843
	--------	--------
Net income	31,891	27,481
	--------	--------
Other comprehensive loss, net of tax:		
Foreign currency translation adjustments, net of income tax expense (benefit) of $(66) and $158	(112)	257
Unrealized holding losses on investments, net of income tax expense benefit of $468 and $362	(797)	(590)
	--------	--------
Other comprehensive income (loss)	(909)	(333)
	--------	--------
Comprehensive income	$ 30,982	$ 27,148
	========	========
Basic earnings per common share	$ .29	$ .26
	========	========
Diluted earnings per common share	$ .28	$ .24
	========	========

</TABLE>

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

(unaudited)
(In thousands, except per share data)

<TABLE>
<CAPTION>

	Nine Months Ended September 30, 2001	2000
<S>	<C>	<C>
Revenues	$493,184	$440,184
Expenses:		

Operating and development	225,700	207,593
Sales and marketing	115,921	115,243
General and administrative	17,391	12,097
Income from operations	134,172	105,881
Equity in the earnings of unconsolidated affiliate	7,429	5,363
Interest income	5,677	3,989
Interest expense	(1,616)	(1,722)
Income before income taxes	145,662	113,511
Income taxes	53,895	43,134
Net income	91,767	70,377
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net of income tax (benefit) expense of $(214) and $163	(365)	266
Unrealized holding gains (losses) on investments, net of income tax benefit of $392 and $444	(668)	(724)
Other comprehensive loss	(1,003)	(458)
Comprehensive income	$ 90,764	$ 66,919
Basic earnings per common share	$ .84	$ .66
Diluted earnings per common share	$ .80	$ .62

</TABLE>

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

(unaudited)
(In thousands)

<TABLE>
<CAPTION>

	Nine Months Ended September 30, 2001	Nine Months Ended September 30, 2000
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 91,767	$ 70,377
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,527	12,793
Equity in the earnings of unconsolidated affiliate	(7,429)	(5,363)
Tax benefit on stock options exercised	25,473	5,040
Other	(2,167)	8,356
Change in current assets and liabilities:		
Decrease (increase) in		
Receivables from regulated investment companies	1,855	(2,479)
Receivables	(17,136)	(22,415)
Prepaid expenses and other current assets	(1,746)	533
Increase (decrease) in		
Accounts payable	(1,859)	(539)
Accrued expenses	26,549	17,149
Deferred revenue	(10,516)	56
Net cash provided by operating activities	119,318	83,508
Cash flows from investing activities:		
Additions to property and equipment	(27,176)	(18,822)
Additions to capitalized software	--	(449)
Purchase of investments available for sale	(60,464)	(17,373)
Sale of investments available for sale	18,227	2,510
Other	4,973	3,533

Net cash used in investing activities	(64,440)	(30,601)
Cash flows from financing activities:		
Payment on long-term debt	(2,000)	(2,000)
Purchase and retirement of common stock	(96,072)	(14,948)
Proceeds from issuance of common stock	12,560	5,734
Borrowing on long term debt	25,000	--
Payment of dividends	(9,786)	(7,785)
Net cash used in financing activities	(70,298)	(18,999)
Net decrease in cash and cash equivalents	(15,420)	33,908
Cash and cash equivalents, beginning of period	159,576	73,206
Cash and cash equivalents, end of period	$144,156	$107,114

</TABLE>

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Operations

SEI Investments Company (the "Company") is organized around its five primary business lines: Private Banking & Trust, Investment Advisors, Enterprises, Money Mangers, and Investments in New Businesses. Private Banking & Trust provides investment processing solutions, fund processing solutions and investment management programs to banks and private trust companies. Investment Advisors provides investment management programs and investment processing solutions to affluent investors through a network of financial intermediaries, independent investment advisors and other investment professionals. Enterprises provide retirement and treasury business solutions for corporations, unions, foundations and endowments, and other institutional investors. Money Managers provides investment solutions to U.S. investment managers, mutual fund companies and alternative investment managers worldwide. Investments in New Businesses include the Company's global asset management businesses as well as initiatives into new U.S. markets.

Summary Financial Information and Results of Operations

In the opinion of the Company, the accompanying unaudited Consolidated Financial Statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position as of September 30, 2001, the results of operations and cash flows for the three and nine months ended September 30, 2001 and 2000.

Interim Financial Information

While the Company believes that the disclosures presented are adequate to make the information not misleading, these Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and the notes included in the Company's latest annual report on Form 10-K.

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, SEI Investments Management Corporation, 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 Income, (See Note 6).

Property and Equipment

Property and equipment on the accompanying Consolidated Balance Sheets consist of the following:

<TABLE>
<CAPTION>

	September 30, 2001	December 31, 2000	Estimated Useful Lives (In Years)
<S>	<C>	<C>	<C>
Equipment	$ 78,499,000	$ 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	20,379,000	16,035,000	3
Furniture and fixtures	14,897,000	14,230,000	3 to 5
Leasehold improvements	7,427,000	7,313,000	Lease Term
Construction in progress	10,253,000	5,990,000	N/A
	185,781,000	158,985,000	
Less: Accumulated depreciation and amortization	(96,686,000)	(83,874,000)	
Property and Equipment, net	$ 89,095,000	$ 75,111,000	

</TABLE>

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.

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 detail 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 primarily three to ten years, with a weighted average remaining life of approximately 6.8 years.

Earnings per Share

The Company computes earnings per common share in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("SFAS 128"). Pursuant to SFAS 128, dual presentation of basic and diluted earnings per common share is required on the face of the statements of income for companies with complex capital structures. 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. All common share figures have been restated to reflect the two-for-one stock split in February 2001.

<TABLE>
<CAPTION>

	For the Three month period ended September 30, 2001		
	Income	Shares	Per Share

	(Numerator)	(Denominator)	Amount
<S>	<C>	<C>	<C>
Basic earnings per common share	$ 31,891,000	108,794,000	$.29
Dilutive effect of stock options	--	6,030,000	
Diluted earnings per common share	$ 31,891,000	114,824,000	$.28

</TABLE>

<TABLE>
<CAPTION>

	For the Three month period ended September 30, 2000		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
<S>	<C>	<C>	<C>
Basic earnings per common share	$ 27,481,000	106,502,000	$.26
Dilutive effect of stock options	--	7,954,000	
Diluted earnings per common share	$ 27,481,000	114,456,000	$.24

</TABLE>

Options to purchase 1,253,000 and 36,000 shares of common stock, with an average exercise price of $49.96 and 34.78 were outstanding during the third quarter of 2001 and 2000, respectively but were excluded from the diluted earnings per common share calculation because the options' exercise prices were greater than the average market price of the Company's common stock.

<TABLE>
<CAPTION>

	For the Nine month period ended September 30, 2001		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
<S>	<C>	<C>	<C>
Basic earnings per common share	$91,767,000	108,685,000	$.84
Dilutive effect of stock options	--	6,546,000	
Diluted earnings per common share	$91,767,000	115,231,000	$.80

</TABLE>

<TABLE>
<CAPTION>

	For the Nine month period ended September 30, 2000		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$70,377,000	106,216,000	$.66
Dilutive effect of stock options	--	7,126,000	
Diluted earnings per common share	$70,377,000	113,342,000	$.62

</TABLE>

Options to purchase 1,288,000 and 36,000 shares of common stock, with an average exercise price of $49.73 and $34.78 were outstanding during the first nine months of 2001 and 2000, respectively, but were excluded from the diluted earnings per common share calculation because the options' exercise prices were greater than the average market price of the Company's common stock.

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 nine months ended September 30 is as follows:

<TABLE>

	2001	2000
Interest paid	$2,061,000	$ 2,207,000
Interest and dividends received	$6,046,000	$ 3,762,000
Income taxes paid	$ --	$36,622,000

</TABLE>

Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the Unites 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.

Note 2. Comprehensive Income - The Company computes comprehensive income in accordance with Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS 130"). 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 includes net income, foreign currency translation adjustments, and unrealized holding gains and losses and is presented on the accompanying Consolidated Statements of Income. Accumulated Other Comprehensive Income on the Consolidated Balance Sheets listed below is the changes from December 31, 2000 to September 30, 2001

	Foreign Currency Translation Adjustments	Unrealized Holding Gains(Losses) on Investments	Accumulated Other Comprehensive Losses
Beginning balance (Dec 31, 2001)	$ (736,000)	$ (923,000)	$(1,659,000)
Current period change	(365,000)	(668,000)	(1,033,000)
Ending Balance	$(1,101,000)	$(1,591,000)	$(2,692,000)

Note 3. Receivables - Receivables on the accompanying Consolidated Balance Sheets consist of the following:

	September 30, 2001	December 31, 2000
Trade receivables	$27,474,000	$22,558,000
Fees earned, not received	2,469,000	1,801,000
Fees earned, not billed	36,297,000	24,745,000
	66,240,000	49,104,000
Less: Allowance for doubtful accounts	(1,700,000)	(1,700,000)
	$64,540,000	$47,404,000

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

Receivables from regulated investment companies on the accompanying Consolidated Balance Sheets represent fees collected from the Company's wholly owned subsidiaries, SEI Investments Distribution Company and SEI Investments Management Corporation, for distribution, investment advisory, and administration services provided by these subsidiaries to various regulated investment companies sponsored by the Company.

Note 4. Investments Available for Sale - Investments available for sale consist 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 Income.

At September 30, 2001, Investments available for sale had an aggregate cost of $64,574,000 and an aggregate market value of $62,036,000 with gross unrealized holding losses of $2,538,000. At that date, the net unrealized holding losses of $1,591,000 (net of income tax expense of $947,000) were reported as a separate component of Accumulated other comprehensive losses on the accompanying Consolidated Balance Sheets.

At December 31, 2000, Investments available for sale 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. At that date, the net unrealized holding losses of $923,000 (net of income tax expense of $493,000) were reported as a separate component of Accumulated Other Comprehensive Losses on the accompanying Consolidated Balance Sheets.

Note 5 Derivative Instruments and Hedging Activities - 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").

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. 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.

Operating Expense for the three and nine months period ended September 30, 2001, includes $473,000, and 203,000, respectively, of net gain from hedge ineffectiveness or from excluding a portion of a derivative instruments' gain or loss from the assessment of hedge effectiveness related to derivatives designated as fair value hedges.

Note 6. Other Assets - Other assets on the accompanying Consolidated Balance Sheets consist of the following:

<TABLE>
<CAPTION>

<S>	September 30, 2001 <C>	December 31,2000 <C>
Investment in unconsolidated affiliate	$ 6,341,000	$ 5,627,000
Other, net	19,188,000	12,696,000
Other assets	$25,529,000	$18,323,000

</TABLE>

Investment in Unconsolidated Affiliate - LSV Asset Management ("LSV") is a partnership formed between the Company and several leading academics in the field of finance. 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. The Company's interest in LSV was approximately 45 percent in 2001 and 47 percent in 2000. LSV is accounted for using the equity method of accounting due to the less than 50 percent ownership. 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 Income.

The following table contains the Condensed Statements of Income of LSV for the three months ended September 30:

	2001	2000
Revenues	$7,672,000	$5,385,000
Net income	$5,682,000	$3,786,000

The following table contains the Condensed Statements of Income of LSV for the nine months ended September 30:

	2001	2000
Revenues	$22,360,000	$10,679,000
Net income	$16,454,000	$ 7,547,000

The following table contains the Condensed Balance Sheets of LSV:

	September 30, 2001	December 31, 2000
Current assets	$13,347,000	$10,976,000
Non-current assets	114,000	103,000
Total assets	$13,461,000	$11,079,000
Current liabilities	$ 1,753,000	$ 1,285,000
Partners' capital	11,708,000	9,794,000
Total liabilities and partners' capital	$13,461,000	$11,079,000

Note 7. Accrued Expenses - Accrued expenses on the accompanying Consolidated Balance Sheets consist of the following:

<TABLE>
<CAPTION>

	September 30, 2001	December 31, 2000
<S>	<C>	<C>
Accrued compensation	$ 50,109,000	$ 49,890,000
Accrued proprietary fund services	14,739,000	14,834,000
Accrued consulting services	6,696,000	8,200,000
Other accrued expenses	71,940,000	48,358,000
Total accrued expenses	$143,484,000	$121,282,000

</TABLE>

Note 8. Line of Credit - The Company has line of credit agreement with its principle lending institutions. The Agreement provides for borrowings of up to $50,000,000, and expires on November 30, 2001, at which time the outstanding principal balance, if any, becomes due unless the Agreement is extended. The Company expects to reduce its line of credit to $25,000,000 on the renewal of the line. 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.

Note 9. 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, Series A, and $15,000,000 of 7.27% Senior Notes, Series B, (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 date. 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. The Company made its scheduled payment of $2,000,000 in February 2001. The current portion of the Notes amounted to $2,000,000 at September 30, 2001.

On June 26, 2001 the Company entered into a loan agreement (the "Agreement") with a separate lending institution. The agreement provides for borrowing up to $25,000,000 in the form of a term loan, and expires on March 31, 2006 and is payable in seventeen equal quarterly installments. The term loan, when utilized, accrues interest at the Prime rate or plus 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. None of these covenants negatively affect the Company's liquidity or capital resources. On August 2, 2001, the Company borrowed $25,000,000 on this term loan. The loan was necessary to support capital improvement projects for our corporate campus and other business purposes. The current portion of the notes amounted to $5,556,000 at September 30, 2001. The Company was in compliance with all covenants during the first nine months of 2001.

Note 10. 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 September 30, 2001, a total of 100,880,000 shares at an aggregate cost of $451,163,000 have been purchased and retired. The Company purchased 2,616,000 shares at a total cost of $96,072,000 during the nine month period ended September 30, 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.

Note 11. Segment Information - The Company defines its business segments in accordance with Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). SFAS 131 establishes standards for the way public business enterprises report financial information about operating segments in financial statements. SFAS 131 also requires additional disclosures about product and services, geographic areas, and major customers. The company redefined its segments during the second quarter 2001 and restated all prior periods to conform with the current presentation.

The Company is organized around its five primary business lines: Private Banking & Trust, Investment Advisors, Enterprises, Money Mangers, and Investments in New Businesses. Private Banking & Trust provides investment processing solutions, fund processing solutions and investment management programs to banks and private trust companies. Investment Advisors provides investment management programs and investment processing solutions to affluent investors through a network of financial intermediaries, independent investment advisors and other investment professionals. Enterprises provide retirement and treasury business solutions for corporations, unions, foundations and endowments, and other institutional investors. Money Managers provides investment solutions to U.S. investment managers, mutual fund companies and alternative investment managers worldwide. Investments in New Businesses include the Company's global asset management business as well as initiatives into new U.S. markets.

The information in the following tables is derived from the Company's internal financial reporting used for corporate management purposes. The accounting policies of the reportable segments are the same as those described in Note 1. The Company's management evaluates financial performance of its operating segments based on income before income taxes.

The following tables highlight certain unaudited financial information about each of the Company's segments for the three months ended September 30, 2001 and 2000. (In thousands)

<TABLE>
<CAPTION>

For the Three-Month Period Ended September 30, 2001 (In thousands)

	Private Banking & Trust	Investment Advisors	Enterprises	Money Managers	Investments In New Businesses	General And Administrative	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$89,201	$38,841	$15,559	$9,682	$10,120		$163,403
Operating income (loss)	$37,562	$15,420	$ 4,366	$2,054	$(6,886)	$(5,887)	$ 46,929
Other income, net							$ 3,992
Income before income taxes							$ 50,621
Depreciation and amortization	$ 2,846	$ 938	$ 333	$ 259	$ 352	$ 183	$ 4,911
Capital Expenditures	$ 5,382	$ 1,005	$ 368	$ 400	$ 636	$ 502	$ 8,293

<CAPTION>

For the Three-Month Period Ended September 30, 2000 (In thousands)

	Private Banking & Trust	Investment Advisors	Enterprises	Money Managers	Investments In New Businesses	General And Administrative	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$ 86,153	$37,008	$14,052	$8,518	$ 9,897		$155,628
Operating income (loss)	$ 33,604	$14,720	$ 3,011	$1,355	$(7,273)	$(4,312)	$ 41,105
Other income, net							$ 3,219
Income before income taxes							$ 44,324
Depreciation and amortization	$ 2,583	$ 838	$ 294	$ 229	$ 297	$ 153	$ 4,394
Capital Expenditures	$ 5,125	$ 906	$ 333	$ 335	$ 1,240	$ 423	$ 8,362

</TABLE>

The following tables highlight certain unaudited financial information about each of the Company's segments for the nine months ended September 30, 2001 and 2000. (In thousands)

<TABLE>
<CAPTION>

Private Investments General

	Banking & Trust	Investment Advisors	Enterprises	Money Managers	In New Businesses	And Administrative	Total
	For the Nine-Month Period Ended September 30, 2001 (In thousands)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$271,793	$115,607	$48,757	$26,154	$ 30,873		$493,184
Operating income (loss)	$106,697	$ 44,541	$14,839	$ 2,666	$(17,180)	$(17,391)	$134,172
Other income, net							$ 11,490
Income before income taxes							$145,662
Depreciation and amortization	$ 9,002	$ 2,449	$ 849	$ 706	$ 1,001	$ 520	$ 14,527
Capital Expenditures	$ 19,161	$ 3,006	$ 1,102	$ 1,047	$ 1,357	$ 1,503	$ 27,176

</TABLE>

<TABLE>
<CAPTION>

	Private Banking & Trust	Investment Advisor	Enterprises	Money Managers	Investments In New Businesses	General And Administrative	Total
	For the Nine-Month Period Ended September 30, 2000 (In thousands)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$250,465	$96,949	$40,401	$23,629	$ 29,370		$440,814
Operating income (loss)	96,543	$30,516	$ 6,816	$ 1,366	$(17,263)	$(12,097)	$105,881
Other income, net							$ 7,630
Income before income taxes							$113,511
Depreciation and amortization	$ 8,032	$ 2,167	$ 736	$ 229	$ 822	$ 410	$ 12,793
Capital Expenditures	$ 12,473	$ 1,444	$ 540	$ 927	$ 2,511	$ 927	$ 18,822

</TABLE>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(In thousands, except per share data)

We are organized around our five business lines: Private Banking & Trust, Investment Advisors, Enterprises, Money Mangers and Investments in New Businesses. Financial information on each of these segments is reflected in Note 11 of the Notes to Consolidated Financial Statements.

Results of Operations

Three and Nine Months Ended September 30, 2001 Compared to Three and Nine Months Ended September 30, 2000

Consolidated Overview

<TABLE>
<CAPTION>

Income Statement Data (In thousands, except per common share data)	Three Months Ended September 30, 2001	2000	Percent Change	Nine Months Ended September 30, 2001	2000	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues:						
Private Banking & Trust	$ 89,201	$ 86,153	4%	$271,793	$250,465	9%

Investment Advisors	38,841	37,008	5%	115,607	96,949	19%
Enterprises	15,559	14,052	11%	48,757	40,401	21%
Money Mangers	9,682	8,518	14%	26,154	23,629	11%
Investments in New Businesses	10,120	9,897	2%	30,873	29,370	5%
Total revenues	$163,403	$155,628	5%	$493,184	$440,814	12%
Operating Income (Loss):						
Private Banking & Trust	$ 37,562	$ 33,604	12%	$106,697	$ 96,543	11%
Investment Advisors	15,420	14,720	5%	44,541	30,516	46%
Enterprises	4,366	3,011	45%	14,839	6,816	118%
Money Mangers	2,054	1,355	52%	2,666	1,366	95%
Investments in New Businesses	(6,886)	(7,273)	5%	(17,180)	(17,263)	--
General and Administrative	(5,887)	(4,312)	(37%)	(17,391)	(12,097)	(44%)
Income from operations	46,629	41,105	13%	134,172	105,881	27%
Other income, net	3,992	3,219	24%	11,490	7,630	51%
Income before income taxes	50,621	44,324	14%	145,662	113,511	28%
Income taxes	18,730	16,843	11%	53,895	43,134	25%
Net Income	$ 31,891	$ 27,481	16%	$ 91,767	$ 70,377	30%
Diluted earnings per common share	$ .28	$ .24	17%	$ .80	$ .62	29%

</TABLE>

Revenues and earnings increased over the corresponding prior year periods primarily because of increased sales to new clients and the delivery of new products and services to existing clients. We believe our growth is due to increased market acceptance of our products and services. Although our recurring revenue base continues to be at approximately 80 percent, a fairly large percentage of our revenues are tied to the value of assets that we manage and administer. Revenues derived from asset based fees have decreased due to recent rapid declines in the financial markets. However, these tough financial market conditions reinforce our investment strategy that leans heavily on diversification, asset allocation, and risk management.

Our operating and after tax margins improved primarily due to the leveragability built within our operations. We continue to realize economies of scale in most of our back office and investment management operations. In addition, the investment in our operating infrastructure and the Internet are improving our client service and making us more productive. We are also renewing our focus on process improvement and creating additional efficiencies in our operations.

We believe the market acceptance of our business solutions, our operational leverage, and our portfolio of businesses will support sustainable growth in future revenues and profits. In addition, we will continue to invest in

the development of new products and services to expand our client base. However, any expected growth in revenues and earnings may be negated by continued volatility in the capital markets, delays in client decision- making, and mergers and acquisitions within the banking industry that could result in the loss of any significant clients.

<TABLE>
<CAPTION>
Asset Balances
(In millions)

	As of September 30,		PERCENT
	2001	2000	CHANGE
<S>	<C>	<C>	<C>
Assets invested in equity and fixed income programs	$ 52,795	$ 51,798	2%
Assets invested in liquidity funds	21,208	24,897	(15%)
Assets under management	74,003	76,695	(4%)
Client proprietary assets under administration	169,860	195,699	(13%)
Assets under management and administration	$243,863	$272,394	(10%)

</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.

Private Banking and Trust

Private Banking & 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. Investment processing fees are primarily earned from monthly processing and software servicing fees and project fees associated with the conversion of new and merging clients.

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. Fund processing fees are based on a fixed percentage, referred to as basis points, of the average daily net asset value of the proprietary funds.

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

<TABLE>
<CAPTION>

	Three Months Ended			Nine Months Ended		
	Sept .30, 2001	Sept. 30 2000	Percent Change	Sept. 30, 2001	Sept. 30 2000	Percent Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues:						
Investment processing fees	$57,127	$53,967	6%	$173,032	$153,975	12%
Fund processing fees	21,326	21,518	(1%)	66,027	65,441	1%
Investment management fees	10,748	10,668	1%	32,734	31,049	5%
Total revenues	89,201	86,153	4%	271,793	250,465	9%
Expenses:						
Operating and development	39,359	41,192	(4%)	128,213	119,389	7%
Sales and marketing	12,280	11,357	8%	36,883	34,533	7%
Total operating profits	$37,562	$33,604	12%	$106,697	$ 96,543	11%
Profit margin	42%	39%	--	39%	39%	--
Percent of Revenue:						
Operating and development	44%	48%		47%	47%	
Sales and marketing	14%	13%		14%	14%	

</TABLE>

The increase in Investment processing fees over the corresponding prior year periods is primarily attributable to increased new sales and cross sales to existing clients. In addition, Investment processing fees were impacted by the recognition of one-time processing fees that were partially offset by a decrease in brokerage services.

Although fund processing fees remained relatively flat, the third quarter of 2001includes one-time buyout fees due to the loss of two significant clients which was offset by a corresponding decrease in administration fees from these clients.

Operating profits and profit margin improvement reflect the impact of increased revenues and economies of scale realized from the leveragability built within our technology business. We continued to invest in the development of new products and services.

We believe our future growth in revenues and earnings will come from maintaining a consistent level of investment in the development of new products and services to grow existing markets and to expand into new markets. However, consolidations among our banking clients continue to be a major strategic issue facing this segment. This business has also been affected by delayed client decision-making due to recent market volatility.

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 fixed percentage, referred to as basis points, of the average daily net asset value of assets under management.

<TABLE>
<CAPTION>

<S>	Three Months Ended Sept. 30. 2001 <C>	Three Months Ended Sept. 30, 2000 <C>	Percent Change <C>	Nine Months Ended Sept. 30, 2001 <C>	Nine Months Ended Sept. 30, 2000 <C>	Percent Change <C>
Total Revenues	$38,841	$37,008	5%	$115,607	$96,949	19%
Expenses:						
Operating and development	11,449	9,810	17%	34,617	29,654	17%
Sales and marketing	11,972	12,478	(4%)	36,449	36,779	(1%)
Total operating profits	$15,420	$14,720	5%	$ 44,541	$30,516	46%
Profit margin	40%	40%	--	38%	31%	--
Percent of Revenue:						
Operating and development	29%	26%		30%	31%	
Sales and marketing	31%	34%		32%	38%	

</TABLE>

The increase in revenues in both comparable periods was primarily due to growth in assets under management as a result of new business. We attribute most of this growth to our continued success at recruiting new registered investment advisors and the offering of new services, especially our managed account program. We established approximately 900 new registered investment advisor relationships during the first nine months of 2001, of which 200 occurred in the third quarter, bringing our total network to about 8,500 advisors. However, revenues were negatively impacted by the recent downturn in the financial markets.

Operating profits and profit margin improvement for the first nine months of 2001 was due to increased sales of our investment management programs. We have also lowered sales and marketing expenditures. In addition we have been able to continue making investments in developing new products without affecting margins.

We believe future growth of this business is dependent upon our ability to continue to generate new business through increased sales of existing products as well as the delivery of new products and services However, continued volatility in the capital markets could negatively affect future revenues and profits.

Enterprises
- -----------

Enterprises provides retirement business solutions and treasury business solutions for corporations, unions and political entities, endowments and foundations and insurance companies. Retirement solutions revenues are primarily earned through management fees that are based upon a fixed percentage, referred to as basis points, of the average month-end net asset value of assets under management. Treasury solutions revenues are primarily earned through management fees that are based upon a fixed percentage, referred to as basis points, of the average daily net asset value of assets under management.

<TABLE>
<CAPTION>

<S>	Three Months Ended Sept. 30, 2001 <C>	Three Months Ended Sept. 30 2000 <C>	Percent Change <C>	Nine Months Ended Sept. 30, 2001 <C>	Nine Months Ended Sept 30 2000 <C>	Percent Change <C>
Total Revenues	$15,559	$14,052	11%	$48,757	$40,401	21%
Expenses:						
Operating and development	5,744	5,002	15%	16,535	15,220	9%
Sales and marketing	5,449	6,039	(10%)	17,383	18,365	(5%)

Total operating profits	$ 4,366	$ 3,011	45%	$14,839	$ 6,816	118%
Profit margin	28%	21%	--	30%	17%	--
Percent of Revenue:						
Operating and development	37%	36%		34%	38%	
Sales and marketing	35%	43%		36%	45%	

The increase in revenues over the comparable prior year periods was fueled by growth in average assets under management due to new clients that were sold and funded during the last twelve months. 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 added 19 new institutional clients during the third quarter of 2001 and 41 new institutional clients during the first nine months in 2001. However, revenues were negatively impacted by the downturn in the financial markets.

Operating profits and profit margins were significantly affected by new sales as well as the timing of certain expenditures. During the first nine months of 2000, we incurred significant technology costs associated with the development of our treasury solutions platform.

We will continue to invest in this business that is diversified by client and solution types in markets that we believe offer new opportunities for our services. However, future revenues and earnings could be significantly affected by continued volatility in the capital markets.

Money Managers

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

	Three Months Ended Sept. 30, 2001	Three Months Ended Sept .30 2000	Percent Change	Nine Months Ended Sept. 30, 2001	Nine Months Ended Sept. 30 2000	Percent Change
Total Revenues	$9,682	$8,518	14%	$26,154	$23,629	11%
Expenses:						
Operating and development	4,308	3,986	8%	13,160	11,806	11%
Sales and marketing	3,320	3,177	5%	10,328	10,457	(1%)
Total operating profits	$2,054	$1,355	52%	$ 2,666	$ 1,366	95%
Profit margin	21%	16%	--	10%	6%	--
Percent of Revenue:						
Operating and development	45%	47%		50%	50%	
Sales and marketing	34%	37%		40%	44%	

The increase in revenues over the prior years comparable periods was primarily due to an increase in average assets under administration as a result of new business offset in part by the downturn in the financial markets. We contracted with thirteen alternative investment managers and five U.S. money mangers during the third quarter. These funds will fund over the next two quarters.

Operating profits and profit margins increased over the corresponding prior year periods due to an increase in new business activity. During 2000, we made significant investments in developing the necessary infrastructure to tailor our products and services in these markets. We will continue to make investments in this business. These investments could affect future profits and margins. In addition, revenues are affected by swings in the capital markets. Any significant change in value would have an impact on revenues.

Investments in New Businesses

Investments in New Businesses include our global asset management initiatives that provide investment solutions to institutional and high-net-worth investors outside the United States. Revenues are primarily earned through management fees that are based upon a fixed percentage, referred to as basis points, of the average daily net asset value of assets under management.

<TABLE>
<CAPTION>

	Three Months Ended			Nine Months Ended		
	Sept .30, 2001	Sept. 30 2000	Percent Change	Sept. 30, 2001	Sept. 30 2000	Percent Change
Total Revenues	$10,120	$ 9,897	2%	$ 30,873	$ 29,370	5%
Expenses:						
Operating and development	11,497	12,157	(5%)	33,175	31,524	5%
Sales and marketing	5,509	5,013	10%	14,878	15,109	(2%)
Total operating losses	$(6,886)	$(7,273)	5%	$(17,180)	$(17,263)	--
Profit margin	(68%)	(73%)	--	(56%)	(59%)	--
Percent of Revenue:						
Operating and development	114%	123%		107%	107%	
Sales and marketing	54%	51%		45%	51%	

</TABLE>

The increase in revenues over the corresponding prior year periods is primarily due to an increase is assets under management from our Europe/South Africa, Korea and Canada initiatives despite the impact of weak financial markets globally. Also, we are beginning to see some early positive results from the launch of our U.K. pension plan initiative. Revenues in 2000 included our Canadian consulting business that was sold in July 2000. Excluding those revenues, revenues would have increased 10 percent in the third quarter 2001 and 21 percent for the first nine months of 2001.

The pace of global asset gathering and revenue recognition continues to accelerate. We focused substantial resources this quarter in anticipation of three major market launches of our multi-manager investment solution to our European distribution networks. We believe that global expansion is an area of significant long-term growth for our firm. We will continue to make significant investments in our global initiatives and expect to incur losses throughout the remainder of this year and in 2002.

General & Administrative

<TABLE>
<CAPTION>

	Three Months Ended			Nine Months Ended		
	Sept. 30, 2001	Sept. 30 2000	Percent Change	Sept. 30, 2001	Sept. 30 2000	Percent Change
General and Administrative	$ 5,887	$ 4,312	37%	$ 17,391	$ 12,097	44%
Percent of Revenue	4%	3%		4%	3%	

</TABLE>

Other Income

Other income on the accompanying Consolidated Statements of Income consist of the following:

<TABLE>
<CAPTION>

	Three Months ended			Nine Months ended		
	Sept. 30, 2001	Sept. 30, 2000	Percent Change	Sept. 30, 2001	Sept. 30, 2000	Percent Change
Equity in the earnings of unconsolidated affiliate	$ 2,637	$ 1,853	42%	$ 7,429	$ 5,363	39%
Interest income	1,887	1,938	(3%)	5,677	3,989	42%
Interest expense	(532)	(572)	7%	(1,616)	(1,722)	6%
Total other income, net	$ 3,992	$ 3,219	24%	$11,490	$ 7,630	51%

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</TABLE>

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 6 of the Notes to Consolidated Financial Statements). The increase in LSV's net earnings is due to an increase in assets under management.

Interest income is earned based upon the amount of cash that is invested daily and fluctuations in interest income recognized for one period in relation to another is due to changes in the average cash balance invested for the period. Interest Income has been affected by the recent decline in interest rates.

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

Liquidity and Capital Resources

<TABLE>
<CAPTION>

	Nine Months Ended September 30, 2001	Nine Months Ended September 30, 2000
Net cash provided by operating activities	$119,318	$ 83,508
Net cash used in investing activities	(64,440)	(30,601)
Net cash used in financing activities	(70,298)	(18,999)
Net decrease in cash and cash equivalents	(15,420)	33,908
Cash and cash equivalents, beginning of period	159,576	73,206
Cash and cash equivalents, end of period	$144,156	$107,114

</TABLE>

Cash requirements and liquidity needs are primarily funded through operations and our capacity for additional borrowing. We currently have a line of credit that provides for borrowings of up to $50.0 million. The availability of the line of credit is subject to compliance with certain covenants set forth in the agreement, (See Note 8 of the Notes to Consolidated Financial Statements). At September 30, 2001, the unused sources of liquidity consisted of unrestricted cash and cash equivalents of $133.3 million and the unused portion of the line of credit of $50.0 million.

The increase in cash flows from operations was primarily due to an increase in income, the tax benefit received from stock options exercised, and various accrued expenses. However, an increase in trade receivables in the first nine months of 2001 and 2000 negatively affected cash flows from operations.

Cash flows from investing activities are principally affected by capital expenditures and investments in Company-sponsored mutual funds. Capital expenditures in the first nine months of 2001 included $14.0 million related to the expansion of our corporate headquarters. The total expected cost of the expansion is estimated at $54.0 million of which we have spent $19.9 million to date. The completion of this project should be completed by mid 2003. Also, cash flows from investing activities includes purchases of Company-sponsored mutual funds of approximately $42.2 million during 2001, net of $18.2 million of sales.

Cash flows from financing activities are primarily affected by debt and equity transactions. Principal payments on our Note Purchase Agreement are made annually from the date of issuance while interest payments are made semi-annually. Principal and interest payments were made in the first nine months of 2001 and 2000. Principal payments on the Term Loan Agreement are made at the end of each quarter beginning December 31, 2001, while interest payments are paid monthly (See Note 9 of the Notes to Consolidated Financial Statements). We continued our common stock repurchase program. We purchased approximately 2,616,000 shares of our common stock at a cost of $96.1 million during the first nine months of 2001. As of October 31, 2001, we still had $49.1 million remaining authorized for the purchase of our common stock. Cash dividends of $.09 per share were paid in the first nine months of 2001 and $.07 in the first nine months of 2000. The Board of Directors has indicated its intention to continue making cash dividend payments.

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

Forward-Looking Information

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information contained in this discussion is or may be considered forward-looking. Forward-looking statements relate to future operations, strategies, financial results or other developments. Forward-looking statements are based upon estimates and assumptions that involve certain risks and uncertainties, many of which are beyond our control or are subject to change. Although we believe our assumptions are reasonable, they could be inaccurate. Our actual future revenues and income could differ materially from our expected results. We have no obligation to publicly update or revise any forward-looking statements.

Quantitative and Qualitative Disclosures About Market Risk.

We do have a number of satellite 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. 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 are adverse to principal loss and ensure the safety and preservation of our invested funds by limiting default risk, market risk, and reinvestment risk. 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. The derivative instruments are qualifying hedges and as such changes in the fair value hedge along with changes in the fair value of the related hedged item are reflected in the statement of income. We currently hold derivatives with a notional amount of $27.1 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 found to be ineffective, it no longer qualifies as a hedge and any excess gains or losses attributable to such ineffectiveness as well as subsequent changes in fair value are recognized in current period earnings. During 2001, the amount of hedge ineffectiveness that was credited to current period earnings was a gain of $.2 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.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) The following is a list of exhibits filed as part of the Form 10-Q.

None.

(b) Reports on Form 8-K

There were no reports on Form 8-K filed by the Company during the quarter ended September 30, 2001.

SIGNATURES

Pursuant to the requirements 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	November 13, 2001	By	/s/ Kathy Heilig
			Kathy Heilig
			Vice President and Controller