

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  CONFIDENTIAL, FOR USE OF THE  
COMMISSION ONLY (AS PERMITTED BY  
RULE 14A-6(E)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to (S) 240.14a-11(c) or (S) 240.14a-12

SEI Investments Company

-----  
(Name of Registrant as Specified In Its Charter)

N/A

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

S E I  
I n v e s t m e n t s   N o t i c e   o f   A n n u a l   M e e t i n g  
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SEI Investments Company  
Oaks, PA 19456-1100

Notice of Annual Meeting of Shareholders  
To be Held May 18, 1999

The Annual Meeting of Shareholders of SEI Investments Company (the "Company"), a Pennsylvania business corporation, will be held at 10:00 a.m., local time,

Tuesday, May 18, 1999, at One Freedom Valley Drive,  
Oaks, PA 19456-1100 for the following purposes:

1. To elect two directors for a term expiring at the 2002 Annual Meeting;
2. To ratify the selection of Arthur Andersen LLP as the Company's auditors for 1999; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

Only shareholders of record at the close of business on April 7, 1999 will be entitled to notice of, and to vote at, the Annual Meeting and at any adjournments thereof.

By order of the Board of Directors,

William M. Doran  
Secretary  
April 28, 1999

Your vote is important. Accordingly, you are asked to complete, sign, and return the accompanying proxy card in the envelope provided, which requires no postage if mailed in the United States.

SEI Investments Company  
Oaks, PA 19456-1100

Proxy Statement

1999 Annual Meeting of Shareholders

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of SEI Investments Company (the "Company") of proxies for use at the 1999 Annual Meeting of Shareholders of the Company to be held on May 18, 1999 (the "1999 Annual Meeting") and at any adjournments thereof. Action will be taken at the meeting upon the election of two directors, ratification of the selection of Arthur Andersen LLP as the Company's auditors for 1999, and such other business as may properly come before the meeting and any adjournments thereof. This Proxy Statement, the accompanying proxy card, and the Company's Annual Report for 1998 will first be sent to the Company's shareholders on or about April 28, 1999.

Voting at the Meeting

Only the holders of the Company's Common Stock, par value \$.01 per share ("Shares"), of record at the close of business on April 7, 1999 are entitled to vote at the 1999 Annual Meeting. On that date there were 17,771,246 Shares outstanding and entitled to be voted at the meeting. Each holder of Shares entitled to vote will have the right to one vote for each Share outstanding in his or her name on the books of the Company. See "Ownership of Shares" for information regarding the ownership of Shares by directors, nominees, officers, and certain shareholders of the Company.

The Shares represented by each properly executed proxy card will be voted in the manner specified by the shareholder. If instructions to the contrary are not given, such Shares will be voted FOR the election to the Board of Directors of the nominees listed herein, and FOR ratification of the selection of Arthur Andersen LLP as the Company's auditors for 1999. If any other matters are properly presented to the meeting for action, the

proxy holders will vote the proxies (which confer discretionary authority to vote on such matters) in accordance with their best judgment.

Execution of the accompanying proxy card will not affect a shareholder's right to attend the 1999 Annual Meeting and vote in person. Any shareholder giving a proxy has the right to revoke it by giving

written notice of revocation to the Secretary of the Company at any time before the proxy is voted. Under the Pennsylvania Business Corporation Law, if a shareholder (including a nominee, broker, or other record owner) records the fact of abstention or fails to vote (including broker non-votes) either in person or by proxy, such action is not considered a vote cast and will have no effect on the election of directors or the ratification of the selection of Arthur Andersen LLP, but will be considered present for purposes of determining a quorum.

(Proposal No. 1) Election of Directors

The Board of Directors of the Company currently consists of seven members and is divided into three classes, one class comprising three directors, and two classes comprising two directors. One class is elected each year to hold office for a three-year term and until successors of such class are duly elected and qualified, except in the event of death, resignation, or removal. Subject to shareholder approval at this meeting, two directors will be elected for the current class. This class will be elected at the 1999 Annual Meeting by a plurality of votes cast at the meeting.

Mr. Porter and Ms. McCarthy, both of whom are current members of the Board of Directors, have been nominated by the Board of Directors for election as directors at the 1999 Annual Meeting. Shares represented by properly executed proxy cards in the accompanying form will be voted for such nominees in the absence of instructions to the contrary. The nominees have consented to be named and to serve if elected. The Company does not know of anything that would preclude the nominees from serving if elected. If, for any reason, a nominee should become unable or unwilling to stand for election as a director, either the Shares represented by all proxies authorizing votes for such nominee will be

voted for the election of such other person as the Board of Directors may recommend or the number of directors to be elected at the 1999 Annual Meeting will be reduced accordingly.

The Board of Directors unanimously recommends that the shareholders vote FOR the election of Mr. Porter and Ms. McCarthy as directors at the 1999 Annual Meeting.

Set forth below is certain information concerning Mr. Porter and Ms. McCarthy and each of the five other current directors whose terms continue after the 1999 Annual Meeting.

Nominees for election at the 1999 Annual Meeting:

Henry H. Porter, Jr., 64, has been a director since September 1981 and is a member of the Audit, Compensation and Stock Option Committees of the Board of Directors. Since June 1980, Mr. Porter has been a private investor and financial consultant. Mr. Porter is a member of the board of directors of Caldwell & Orkin Funds, Inc., which is an investment company.

Kathryn M. McCarthy, 50, was appointed by the Board of Directors to be a director in October 1998, thereby filling the vacancy created by the death of Donald C. Carroll in February 1998. Since October 1998 Ms. McCarthy has been a member of the Audit Committee of the Board of Directors. Since November 1996, Ms. McCarthy has been President of MARUJUPU, LLC, an investment management and estate planning company. Ms. McCarthy is a director of Clifford Asset Management ("CAM"), a registered investment adviser that utilizes investment products and services of the Company for the benefit of its clients. In 1998, CAM received marketing support therefore of approximately \$600,000 as well as certain ancillary support services of the type provided to other investment adviser clients of the Company. Together with her husband, who is the president of CAM, Ms. McCarthy beneficially owns a majority equity interest in CAM. From June 1992 until October 1996, Ms. McCarthy was a

senior financial counselor/portfolio manager with Rockefeller & Company.

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Directors continuing in office with terms expiring in 2000:

Henry H. Greer, 61, has been a director since November 1979 and is a member of the Audit Committee of the Board of Directors. Mr. Greer served as the Company's President and Chief Operating Officer from August 1990 until March 1999, and as the Company's Chief Financial Officer from September 1996 until March 1999. From May 1989 until August 1990, Mr. Greer served as President of the Company's Benefit Services Division under a consulting arrangement. For the eleven-year period prior to August 1990, Mr. Greer was President of the Trident Capital Group, a venture capital firm.

Richard B. Lieb, 51, has been an Executive Vice President of the Company since October 1990 and a director since 1994. Mr. Lieb has been President of the Company's Investment Systems and Services Unit since 1995. Mr. Lieb was President and Chief Executive Officer of the Company's Insurance Asset Services Division from March 1989 until October 1990. From 1986 to 1989, Mr. Lieb served in various executive positions with the Company.

Carmen V. Romeo, 55, has been an Executive Vice President of the Company since December 1985 and a director since June 1979. Mr. Romeo is President of the Company's Investment Advisory Group. Mr. Romeo was Treasurer and Chief Financial Officer of the Company from June 1979 until September 1996.

Directors continuing in office with terms expiring in 2001:

Alfred P. West, Jr., 56, has been the Chairman of the Board of Directors and Chief Executive Officer of the Company since its inception in 1968. From June 1979 until August 1990, Mr. West also served as the Company's President. He is a member of the Compensation Committee of the Board of Directors.

William M. Doran, 58, has been a director since March 1985 and is a member of the Compensation Committee of the Board of Directors. Mr. Doran is Secretary of the Company and since October 1976 has been a

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partner in the law firm of Morgan, Lewis & Bockius LLP, Philadelphia, Pennsylvania. Mr. Doran is a trustee of SEI Liquid Asset Trust, SEI Tax Exempt Trust, SEI Daily Income Trust, SEI Institutional Managed Trust, SEI Index Funds, SEI Institutional International Trust, SEI Asset Allocation Trust, SEI Institutional Investments Trust, SEI Insurance Products Trusts, The Arbor Fund, The Advisors' Inner Circle Fund, Oak Associates Fund and Expedition Funds, each of which is an investment company for which the Company's subsidiaries act as advisor, administrator and/or distributor.

Board and Committee Meetings

The Board of Directors of the Company held four meetings in 1998. During the year, all directors attended all meetings of the Board of Directors and of the committees on which they served. Standing committees of the Board of Directors of the Company are the Audit Committee, Compensation Committee and Stock Option Committee. The Audit Committee has three members, Messrs. Greer and Porter and Ms. McCarthy. Members of the Compensation Committee are Messrs. West, Doran and Porter. Currently, the sole member of the Stock Option Committee is Mr. Porter.

During 1998, the Audit Committee met two times. The principal functions of the Audit Committee are to review with management and the Company's independent public accountants the scope and results of the various audits conducted during the year; to discuss with management and the Company's independent public

accountants the Company's annual financial statements; and to review fees paid to, and the scope of services provided by, the Company's independent public accountants.

During 1998, the Compensation Committee met three times. The principal function of the Compensation Committee is to administer the Company's compensation programs, including certain stock plans and bonus and incentive plans. The Compensation Committee also reviews with management and approves the salaries of senior corporate officers

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and employment agreements between the Company and senior corporate officers.

During 1998, the Stock Option Committee met one time. The principal function of the Stock Option Committee is to administer certain benefit plans.

The Board of Directors does not have a Nominating Committee. The Board will consider nominees for election to the Board of Directors recommended by the Company's shareholders. All such recommendations should be submitted in writing to the Board of Directors at the Company's principal office.

Ownership of Shares

The following table contains information as of February 26, 1999 relating to the beneficial ownership of Shares by each of the members of the Board of Directors, the Chief Executive Officer and each of the four other most highly compensated executive officers of the Company, by members of the Board of Directors and the Company's officers as a group, and by the holders of 5% or more of the total Shares outstanding. As of February 26, 1999, there were 17,874,121 Shares outstanding. Information as to the number of Shares owned and the nature of ownership has been provided by these persons and is not within the direct knowledge of the Company. Unless otherwise indicated, the named persons possess sole voting and investment power with respect to the Shares listed.

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<TABLE>  
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Name of Individual or Identity of Group	Number of Shares Owned	Percent of Class (1)
<S>	<C>	<C>
Alfred P. West, Jr. (/2/)	5,076,537	28.4%
William M. Doran (/3/) (/4/)	799,718	4.5%
Carmen V. Romeo (/3/) (/5/)	422,216	2.4%
Richard B. Lieb (/3/)	228,700	1.3%
Henry H. Greer (/3/)	197,873	1.1%
Edward D. Loughlin (/3/)	170,236	*
Henry H. Porter, Jr. (/3/)	61,000	*
Kathryn M. McCarthy	0	*
All executive officers and directors as a group (11 persons) (/6/)	7,243,035	39.0%
Thomas W. Smith (/7/)	1,812,300	10.1%
Thomas N. Tryforos (/7/)	1,444,802	8.1%

</TABLE>

\* Less than one percent.  
(1) Applicable percentage of ownership is based on 17,874,121 shares of Common Stock outstanding on February 26, 1999. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and means voting or investment power with respect to securities. Shares of Common Stock issuable upon the exercise of stock options exercisable currently or within 60 days of February 26, 1999 are deemed outstanding and to be beneficially owned by the person holding such option for purposes of computing such person's percentage ownership, but are not deemed outstanding for the purpose of computing the percentage ownership of any other person. Except for shares held jointly with a person's spouse or subject to

applicable community property laws, or as indicated in the footnotes to this table, each stockholder identified in the table possesses sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by such stockholder.

- (2) Includes an aggregate of 4,000 Shares held by Mr. West's wife and 816,734 Shares held in trusts for the benefit of Mr. West's children, of which Mr. West's wife is a trustee or co-trustee. Also includes 21,000 Shares which may be acquired upon exercise of stock options exercisable within 60 days of February 26, 1999 held in a trust of which Mr. West is a trustee. Mr. West disclaims beneficial ownership of the Shares held in these trusts. Also includes 756,250 Shares held by APWest Associates, L.P., a Delaware limited partnership of which Mr. West is the sole general partner. Also

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includes 1,818,400 Shares held in several trusts of which Mr. West is a trustee. Mr. West's address is c/o SEI Investments Company, Oaks, PA 19456-1100.

- (3) Includes, with respect to Messrs. Doran, Porter, Greer, Romeo, Lieb, and Loughlin, 8,000, 29,000, 10,000, 92,500, 159,500 and 162,500 Shares, respectively, which may be acquired upon exercise of stock options exercisable within 60 days of February 26, 1999.
- (4) Includes an aggregate of 699,000 Shares held in trust for the benefit of Mr. West's children, of which Mr. Doran is a co-trustee and, accordingly, shares voting and investment power. Mr. Doran disclaims beneficial ownership of the Shares held in trust.
- (5) Includes an aggregate of 5,000 Shares held in custodianship for the benefit of Mr. Romeo's minor children, of which Mr. Romeo's brother is a custodian. Mr. Romeo disclaims beneficial ownership of the Shares held in custodianship.
- (6) Includes 718,000 Shares which may be acquired upon the exercise of stock options exercisable within 60 days of February 26, 1999.
- (7) Messrs. Smith and Tryforos share voting and investment power with respect to 1,437,000 Shares in their capacities as general partners to private investment limited partnerships and trustees of a profit sharing trust. Mr. Smith is the beneficial owner of an additional 100,300 Shares in his capacity as investment manager to certain managed accounts. In addition, Messrs. Smith and Tryforos own 275,000 and 7,802 Shares, respectively, for their own accounts. The address of Messrs. Smith and Tryforos is 323 Railroad Avenue, Greenwich, CT 06830.

Executive Compensation

The Summary Compensation Table set forth below includes individual compensation information on the Company's Chief Executive Officer and the Company's four other most highly paid executive officers for services rendered in all capacities for the years ended December 31, 1998, 1997 and 1996.

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Summary Compensation Table

<TABLE>  
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Name & Principal Position	Fiscal Year	Annual Compensation		Long-Term Compensation Awards	
		Salary (\$)	Bonus (\$)	Securities Underlying Options/SAR's	All Other Compensation (\$)
		(1)	(2)		(3)
Alfred P. West, Jr. ....	1998	\$ 310,000	\$ 450,000	--0--	\$3,840
Chairman of the Board and	1997	\$310,000	\$365,000	--0--	\$3,840
Chief Executive Officer	1996	\$310,000	\$190,000	--0--	\$3,600
Henry H. Greer.....	1998	\$ 285,000	\$ 350,000	4,000	\$3,840

Director (President, Chief Operating Officer and Chief Financial Officer through March 31, 1999)	1997	\$ 285,000	\$ 290,000	15,000	\$3,840
	1996	\$ 285,000	\$ 165,500	15,000	\$3,600
Richard B. Lieb.....	1998	\$ 260,000	\$ 415,000	8,000	\$3,840
Director and Executive	1997	\$ 260,000	\$ 315,000	20,000	\$3,840
Vice President	1996	\$ 260,000	\$ 190,000	15,000	\$3,600
Edward D. Loughlin.....	1998	\$ 250,000	\$ 275,000	6,000	\$3,840
Executive Vice President	1997	\$ 250,000	\$ 275,000	15,000	\$3,840
	1996	\$ 250,000	\$ 175,000	15,000	\$3,600
Carmen V. Romeo.....	1998	\$ 250,000	\$ 400,000	15,500	\$3,840
Director and Executive	1997	\$ 250,000	\$ 275,000	25,000	\$3,840
Vice President	1996	\$ 250,000	\$ 200,000	15,000	\$3,600

</TABLE>

- (1) Compensation deferred at the election of the executive, pursuant to the Company's Capital Accumulation Plan ("CAP"), is included in the year earned.
- (2) Cash bonuses for services rendered during 1998, 1997 and 1996 have been listed in the year earned, but were actually paid in the following fiscal year.
- (3) The stated amounts are Company matching contributions to the CAP.

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The Company has an employment agreement with Mr. West (which renews annually in May) pursuant to which he is entitled to a certain minimum base salary, a bonus based on the performance of the Company, and certain retirement benefits. The Company also has an employment agreement with Mr. Lieb. Mr. Lieb's employment agreement is for a one-year term and renews annually in July of each year unless terminated prior thereto by either Mr. Lieb or the Company. In the event that the Company terminates his employment agreement without cause, Mr. Lieb is entitled to one year's severance pay. Mr. Lieb's employment agreement provides for a certain minimum base salary and participation in management bonus programs. Mr. Lieb received a base salary of \$260,000 in 1998.

The Securities and Exchange Commission's proxy rules also require disclosure of the range of potential realizable values from stock options granted during the fiscal year ended December 31, 1998, at assumed rates of stock price appreciation through the expiration date of the options, and the value realized from the exercise of options during the fiscal year ended December 31, 1998.

#### Option Grants in Last Fiscal Year

<TABLE>  
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Name	Individual Grants					
	Number of Underlying Options/SAR's Granted (#) (1)	% of Total Options/SAR's Granted to Employees in Fiscal Year (2)	Exercise or Base Price per Share (\$/Sh)	Expiration Date	Grant Date Present Value (\$)	(3)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Alfred P. West, Jr. ....	-0-	0.0%	N/A	N/A	\$	0.00
Henry H. Greer.....	4,000	0.8%	\$89.750	12/16/08	\$161,040.00	
Richard B. Lieb.....	8,000	1.6%	\$89.750	12/16/08	\$322,080.00	
Edward D. Loughlin.....	6,000	1.2%	\$89.750	12/16/08	\$241,560.00	
Carmen V. Romeo.....	7,500	3.1%	\$68.750	4/9/08	\$241,725.00	
	8,000		\$89.750	12/16/08	\$322,080.00	

</TABLE>

- (1) All options granted to the named executive officers were non-qualified options granted on April 9, 1998 (7,500 to Carmen Romeo only) and December 16, 1998, at an exercise price equal to the fair market value on such date. The April 9, 1998 options vest fifty percent upon the Company's attainment of diluted earnings per

share of \$3.25 during a twelve month reporting period and the

other fifty percent upon the Company's attainment of diluted earnings per share of \$5.00 during a twelve month reporting period or fully vest on the seventh anniversary from the date of grant. The December 16, 1998 options vest fifty percent upon the Company's attainment of diluted earnings per share of \$4.50 during a twelve month reporting period and the other fifty percent upon the Company's attainment of diluted earnings per share of \$6.75 during a twelve month reporting period or fully vest on the seventh anniversary from the date of grant.

- (2) Based on total number of shares granted to employees in 1998 of 508,000.  
 (3) Based on the Black-Scholes stock option pricing model price using the following assumptions:

<TABLE>  
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<S>	April 9, 1998		December 16, 1998	
	<C>		<C>	
Price.....	\$	32.23	\$	40.26
Risk free rate.....		5.728%		4.638%
Beta.....		40.25%		40.31%
Dividend Yield.....		1.00%		1.00%
Exercise Date.....		7 years		7 years

</TABLE>

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year End Option Values

<TABLE>  
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Name	Shares Acquired on Exercise (#)	Value Realized (\$)(1)	Number of Securities Underlying Unexercised Options Held at Fiscal Year End (#)		Value of Unexercised, In-the-Money Options at Fiscal Year End (\$)(2)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Alfred P. West, Jr. ....	-0-	\$ 0	-0-	-0-	\$ 0	\$ 0
Henry H. Greer.....	341,500	\$21,382,513	7,500	24,000	\$ 595,781	\$1,507,563
Richard B. Lieb.....	-0-	\$ 0	157,000	33,000	\$13,714,938	\$1,832,938
Edward D. Loughlin.....	24,000	\$ 1,482,250	160,000	26,000	\$13,156,563	\$1,526,813
Carmen V. Romeo.....	20,000	\$ 1,618,750	90,000	45,500	\$ 7,561,563	\$2,349,500

</TABLE>

- (1) Represents the difference between the closing price of the Company's Common Stock on the exercise date and the exercise price of the options.  
 (2) Represents the difference between the closing price of the Company's Common Stock at December 31, 1998 (\$99.375) and the exercise price of the options.

Director Compensation Each director who is not an employee of the Company receives \$1,800 per meeting attended and an annual retainer of \$10,800. The chairman of the Audit Committee receives an additional annual fee of \$2,400.

In 1998, Messrs. Doran, Porter and Ms. McCarthy, the Company's non-employee directors, each received options to purchase 4,000 Shares at an exercise price of \$89.75 per share under the SEI Investments Company 1998 Equity Compensation Plan. These options have an exercise price equal to the fair market value of the Shares as of the date of grant and a ten-year term. The options become exercisable in two equal installments upon achievement by the Company of certain diluted earnings per share goals; provided that all options fully vest upon the seventh anniversary of the date of the option grant. Upon her election to the Board of Directors, Ms. McCarthy also received options to purchase 8,000 Shares at an exercise price of \$57.00 per share under the SEI Investments Company 1998 Equity Compensation Plan.



Notwithstanding anything to the contrary, the following Report of the Compensation Committee and the Performance Graph on page 17 shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or under the Exchange Act, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

Compensation Committee Report on Executive Compensation      The Compensation Committee, consisting of two non-employee directors and Mr. West, the Chairman and Chief Executive Officer and largest shareholder of the Company, approves all policies and plans under which compensation is paid or awarded to management employees. Included in this group are management level employees of all of its business units other than sales employees who are under sales commission compensation plans.

The Company's compensation philosophy (which is intended to apply to all members of management, including the Chief Executive Officer and the President and Chief Operating Officer), as implemented by the Compensation Committee, is to provide a compensation program for management which results in competitive levels of compensation and which emphasizes incentive plans aligned with attaining the Company's

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annual goals and longer term objectives. The Company believes that this approach enables it to attract, retain and reward highly qualified personnel.

The compensation program consists of base salary; bonuses pursuant to incentive plans; and grants of stock options (in addition to benefits afforded all employees such as healthcare insurance and stock purchase and defined contribution plans).

In 1997, the Compensation Committee retained an independent compensation consulting firm to review compensation levels for senior management and its overall compensation program. Its review included a comparison of compensation of senior management (approximately 20 senior executives) to the compensation for senior management of comparable companies and interviews with individual members of senior management. As a result of this review the Compensation Committee implemented certain changes in the compensation program to (1) align compensation more closely to long and short term profitability of the Company and other Company financial goals and (2) encourage long term stock ownership by senior management. In addition to the changes with respect to stock options described hereinafter, the Company modified its 401(k) plan to permit investment in Company stock and removed the limit on annual compensation which can be invested in Company stock through the Company Employee Stock Purchase Plan. The Compensation Committee believes that these changes will enhance shareholder value.

The discussion below describes the Compensation Committee's compensation process for 1998 and its 1999 strategies for compensation.

#### Base Salaries

The Compensation Committee seeks to set base salaries for management employees at levels that are competitive with salaries paid to management with comparable qualifications, experience, and responsibilities at companies of comparable size engaged in the same or similar businesses as the Company. Since 1992, the Committee has minimized base salary increases. The Committee expects to continue to minimize base salary increases with incentive compensation tied to performance objectives becoming a larger portion of overall compensation. Base salaries, however,

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may be adjusted if a manager is promoted to a higher level management position or is given increased responsibilities.

#### Incentive Bonuses

During the first quarter of each year, the Compensation Committee reviews target performance goals which are developed by the Chief Executive Officer, the President and Chief Operating Officer, and senior management of each business unit of the Company. The Compensation Committee uses these to set threshold and target performance goals for purposes of the incentive compensation plan for the year. Goals are established at the corporate level and also at business unit levels. Bonus pools for achieving targets are established for business units and for senior management (including the Chief Executive Officer and the President and Chief Operating Officer). These target bonus pools are prorated if the target goals are exceeded or if they are not met, provided that the threshold goals are met. Each individual is then assigned a target compensation award. This award is based on three indices, a corporate goal index, a unit goal index and a personal goal index. Although sales compensation continues to be based in part on a standard revenue payout, there also is incorporated a corporate goal index, unit goal index and a personal index in the computation of actual incentive compensation.

During December of each year, the Compensation Committee reviews the Company's actual performance as compared to the threshold and target goals and determines the total amount of bonuses for the year and the specific bonuses to be paid to the Chief Executive Officer, the President and Chief Operating Officer and senior management. In addition, the size of the final bonus pools may be adjusted for non-financial achievements, changes in the business units or other organizational changes during the year. The amount of the bonus paid to each member of senior management (other than the Chief Executive Officer and the President and Chief Operating Officer) is based upon recommendations from the Chief Executive Officer and the President and Chief Operating Officer and reflects, in addition to overall Company

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performance, the performance of his or her business unit, and any individual achievements during the year as well as internal and client evaluations. The amounts of the bonuses paid to the Chief Executive Officer and the President and Chief Operating Officer of the Company are determined by the non-employee members of the Compensation Committee based upon the Company's achievement of profitability and revenue growth goals and the achievement of strategic organizational goals.

In December 1998, the Compensation Committee reviewed the performance of the Company for 1998 against the incentive compensation plan targets. The corporate goals were achieved and each of the business units achieved its targeted goals except for two of the units which fell below the target goals. Based on its review of this performance against the plan, the Committee approved payment of incentive compensation for the year in a total amount which was approximately \$800,000 less than the 1998 plan would have called for had all of the units met their targets.

For 1999, the Compensation Committee again adopted a corporate compensation plan that is based on assigning each employee an individual target compensation award. The actual award is then based on the achievement of (1) corporate goals, (2) the employee's business unit goals and (3) the employee's own goals. The Compensation Committee believes that the establishment of individual target awards and objective measurement standards gives employees more predictability as to the incentive compensation to be achieved.

#### Stock Options

Prior to 1992, the philosophy of the Company was to grant stock options to senior management as an additional form of compensation for services rendered. In accordance with this philosophy, senior management normally would receive option grants each

year except that Mr. West, the Chairman, Chief Executive Officer and largest shareholder of the Company, has never received stock option grants from the Company.

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Stock option grants are viewed by the Committee as an important means of aligning the interest of management and employees with shareholders. The Company implemented changes in its stock option plans and related plans at the end of 1997 which are intended to encourage long term stock ownership by employees and which tie vesting of stock options to financial performance by the Company. Beginning with stock options granted at the end of 1997, the stock options will vest at a rate of 50% when a specified earnings per share target is achieved and the remaining 50% when a second, higher specified earnings per share target is achieved. In any event, the options will fully vest after seven years. The Company also adopted a stock ownership program which will make loan guarantees available for employees who exercise stock options and also permits a deferral plan for stock options.

Application of Section 162(m)

Payments during 1998 to the Company's management employees as discussed above were made with regard to the provisions of section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). Section 162(m) limits the deduction that may be claimed by a "public company" for compensation paid to certain individuals to \$1 million except to the extent that any excess compensation is "performance-based compensation." It is the Compensation Committee's intention to consider the deductibility of compensation under Section 162(m).

Compensation Committee

Alfred P. West, Jr.  
William M. Doran  
Henry H. Porter, Jr.

Compensation Committee Interlocks and Insider Participation  
Members of the Company's Compensation Committee are Messrs. West, Doran and Porter. Mr. West is the Chief Executive Officer of the Company. Mr. Doran is a partner in the law firm of Morgan, Lewis & Bockius LLP, which performed services for the Company during the year ended December 31, 1998. The Company proposes to retain the services of such firm in 1999.

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Stock Price Performance Graph

The Stock Price Performance Graph below compares the yearly percentage change in the cumulative total return (based upon changes in share prices) of the Company's Common Stock against the NASDAQ National Market System ("NASDAQ Market Index") and a peer industry group that consists of software, data processing companies (40%) and financial, fund management companies (60%). The percentage allocation for each industry group is based on the approximate percentage of the Company's revenue attributable to each line of business during the fiscal year ended December 31, 1998. The graph assumes a \$100 investment on January 1, 1994 and the reinvestment of all dividends.

[Graph appears here]

Comparison of Cumulative Total Return of SEI Investments, Industry Index, and NASDAQ Market Index

	SEI Investments	Combined Group	NASDAQ Market Index
1993	100	100	100
1994	66.31	102.91	104.99
1995	84.4	144.63	136.18
1996	87.31	199.85	169.23

1997	166.4	287.95	207
1998	395.37	394.52	291.96

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(Proposal No. 2) Ratification of Selection of Auditors

The Board of Directors has appointed Arthur Andersen LLP, independent public accountants, to be the Company's auditors for 1999. Although not required to do so, the Board of Directors has determined that it would be desirable to request ratification of this appointment by the holders of Shares of the Company. If such ratification is not received, the Board of Directors will reconsider the appointment. Representatives of Arthur Andersen LLP are expected to be available at the 1999 Annual Meeting to respond to appropriate questions and to make a statement if they so desire.

The affirmative vote of a majority of the votes cast at the 1999 Annual Meeting by the holders of the outstanding Shares is required for the ratification of this selection. The Board of Directors unanimously recommends that the shareholders vote FOR approval of this proposal.

Other Matters

As of the date of this Proxy Statement, management knows of no other matters to be presented for action at the 1999 Annual Meeting. However, if any further business should properly come before the 1999 Annual Meeting, the persons named as proxies in the accompanying proxy card will vote on such business in accordance with their best judgment.

Section 16(a) Beneficial Ownership Reporting Compliance

Donald C. Carroll, a director of the Company who died in February of 1998, failed to file a Statement of Changes in Beneficial Ownership of Securities on Form 4 in January 1998 with respect to the exercise in December 1997 of 8,000 options. Such transaction was reported in February 1998 on an Annual Statement of Changes in Beneficial Ownership of Securities on Form 5. Also, Kathryn M. McCarthy failed to file an Initial Statement of Beneficial Ownership of Securities on Form 3 within ten days of becoming a director of the Company on October 8, 1998. This Form was filed on December 10, 1998.

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Solicitation of Proxies

The accompanying proxy card is solicited on behalf of the Board of Directors of the Company. Following the original mailing of the proxy materials, proxies may be solicited personally by officers and employees of the Company, who will not receive additional compensation for these services. The Company will reimburse banks, brokerage firms, and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy material to beneficial owners of Shares.

Proposals of Shareholders

Proposals which shareholders intend to present at the next annual meeting of Shareholders of the Company must be received by the Secretary of the Company at its principal offices (Oaks, PA 19456-1100) no later than December 29, 1999.

Additional Information

The Company will provide without charge to any person from whom a proxy is solicited by the Board of Directors, upon the written request of such person, a copy of the Company's 1998 Annual Report on Form 10-K, including the financial statements and schedules thereto, required to be filed with the Securities and Exchange Commission pursuant to Rule

13a-1 under the Securities Exchange Act of 1934, as amended. Such written requests should be directed to Murray A. Louis, Vice President, at the Company's principal offices.

SEI  
Investments Oaks, PA 19456

PROXY SEI INVESTMENTS COMPANY PROXY

This proxy is solicited on behalf of the Board of Directors

The undersigned shareholder of SEI Investments Company (the "Company") hereby appoints Kevin P. Robins and Lydia A. Gavalis, or either of them (with full power to act alone in the absence of the other and with full power of substitution in each), the proxy or proxies of the undersigned, and hereby authorizes either of them to represent and to vote as designated on the reverse, all Shares of Common Stock of the Company held of record by the undersigned at the close of business on April 7, 1999, at the Annual Meeting of Shareholders to be held on May 18, 1999, and at any adjournments thereof.

(CONTINUED AND TO BE SIGNED ON REVERSE SIDE)

Please date, sign and mail your proxy card back as soon as possible!

Annual Meeting of Shareholders  
SEI INVESTMENTS COMPANY

May 18, 1999

Please Detach and Mail in the Envelope Provided

[X] Please mark your votes as in this example

Please mark, sign, date and return the proxy card promptly using the enclosed envelope.

FOR ALL WITHHOLD ALL  
1. Election of Directors   Nominees: Henry H. Porter, Jr.  
Kathryn M. McCarthy

(Instructions: To withhold authority to vote for any individual nominee, strike such nominee's name from the list of nominees.)

FOR AGAINST ABSTAIN  
2. Ratification of the selection of Arthur Andersen LLP as the Company's auditors for 1999.

3. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting or any adjournments thereof.

This proxy, when properly executed will be voted in the manner directed herein. If no direction is made, this proxy will be voted FOR Proposals 1 and 2.

CHECK HERE FOR ADDRESS CHANGE

CHECK HERE IF YOU PLAN TO ATTEND THE MEETING

SIGNATURE(S) \_\_\_\_\_ DATE \_\_\_\_\_

Note: Please sign exactly as name appears hereon. When Shares are held by joint tenants, all joint tenants should sign. When signing as attorney, executor, administrator, trustee or guardian, please give the full title as such. If a corporation, please sign in the full corporate name by the President or other authorized officer. If a partnership, please sign in partnership name by authorized person.